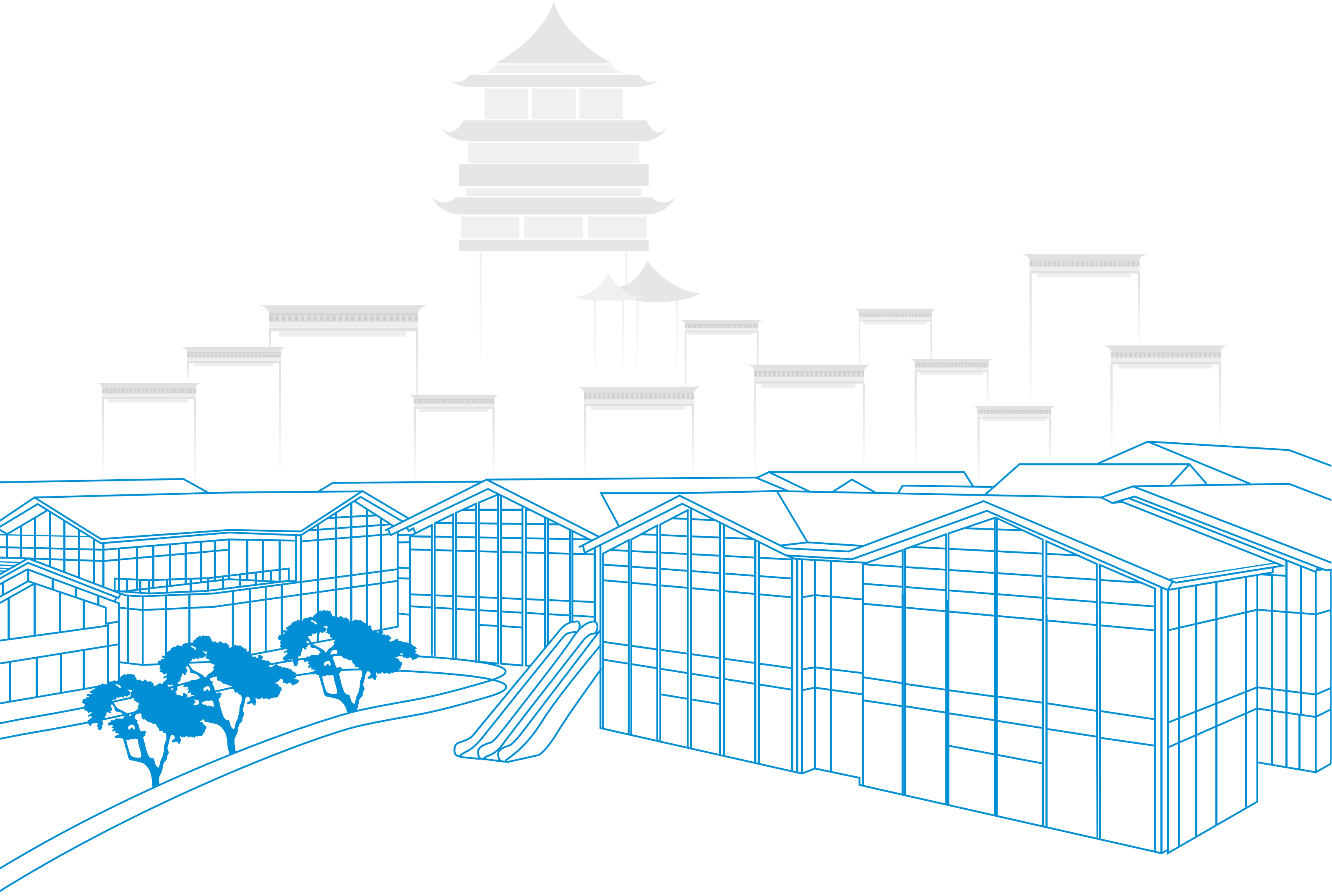
遠洋集團
SINO-OCEAN GROUP

2025
INTERIM REPORT



SINO-OCEAN

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

(Incorporated in Hong Kong with limited liability)

Stock Code: 03377.HK

BREAKTHROUGH · REBIRTH

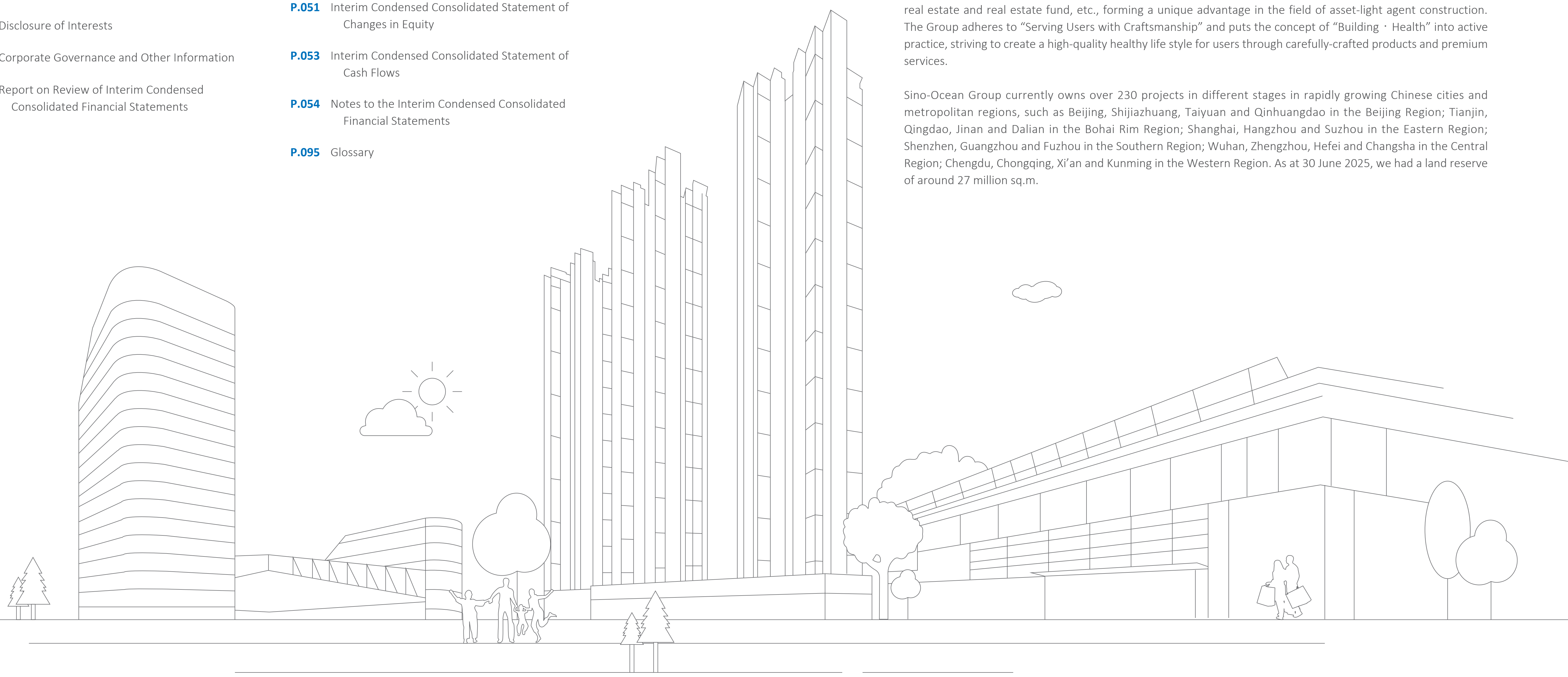
CONTENTS

ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 September 2007 (Stock Code: 03377.HK), with China Life Insurance Company Limited and Dajia Life Insurance Co., Ltd. as substantial Shareholders.

With a strategic vision of becoming the "Creator of Building Health and Social Value", Sino-Ocean Group is committed to becoming a pragmatic comprehensive corporation focusing on investment and development while exploring related diversified new businesses. The core businesses of the Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate and real estate fund, etc., forming a unique advantage in the field of asset-light agent construction. The Group adheres to "Serving Users with Craftsmanship" and puts the concept of "Building・Health" into active practice, striving to create a high-quality healthy life style for users through carefully-crafted products and premium services.

Sino-Ocean Group currently owns over 230 projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as Beijing, Shijiazhuang, Taiyuan and Qinhuangdao in the Beijing Region; Tianjin, Qingdao, Jinan and Dalian in the Bohai Rim Region; Shanghai, Hangzhou and Suzhou in the Eastern Region; Shenzhen, Guangzhou and Fuzhou in the Southern Region; Wuhan, Zhengzhou, Hefei and Changsha in the Central Region; Chengdu, Chongqing, Xi'an and Kunming in the Western Region. As at 30 June 2025, we had a land reserve of around 27 million sq.m.



CORPORATE INFORMATION

The corporate information of Sino-Ocean Group as of the date of this report was as follows:

Directors

Executive Directors

Mr. LI Ming *(Chairman and CEO)*
Mr. WANG Honghui
Mr. CUI Hongjie
Ms. CHAI Juan

Non-executive Directors

Mr. ZHANG Zhongdang
Mr. YU Zhiqiang
Ms. SUN Jianxin
Ms. WANG Manling

Independent Non-executive Directors

Mr. HAN Xiaojing
Mr. LYU Hongbin
Mr. LIU Jingwei
Mr. JIANG Qi
Mr. CHEN Guogang

Audit Committee

Mr. LIU Jingwei *(Chairman of committee)*
Mr. YU Zhiqiang
Ms. SUN Jianxin
Mr. LYU Hongbin
Mr. CHEN Guogang

Nomination Committee

Mr. LI Ming *(Chairman of committee)*
Ms. WANG Manling
Mr. HAN Xiaojing
Mr. JIANG Qi
Mr. CHEN Guogang

Remuneration Committee

Mr. HAN Xiaojing *(Chairman of committee)*
Ms. CHAI Juan
Mr. LYU Hongbin
Mr. JIANG Qi

Strategic and Investment Committee

Mr. LI Ming *(Chairman of committee)*
Mr. WANG Honghui
Mr. CUI Hongjie
Mr. ZHANG Zhongdang
Ms. WANG Manling
Mr. LIU Jingwei
Mr. ZHAO Jianjun

Company Secretary

Mr. SUM Pui Ying

Authorized Representatives

Mr. LI Ming
Mr. SUM Pui Ying

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 China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank of Shanghai Co., Ltd.
China CITIC Bank Corporation Limited
China Everbright Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
China Minsheng Bank Corp., Ltd.
China Zheshang Bank Co., Ltd.
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Ping An Bank Co., Ltd.
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

Auditor

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisor

Paul Hastings (Hong Kong) LLP

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.HK

Company Website

www.sinooceangroup.com

Investor Relations Contact

ir@sinooceangroup.com

FINANCIAL & OPERATION HIGHLIGHTS

Six months ended 30 June (unaudited)

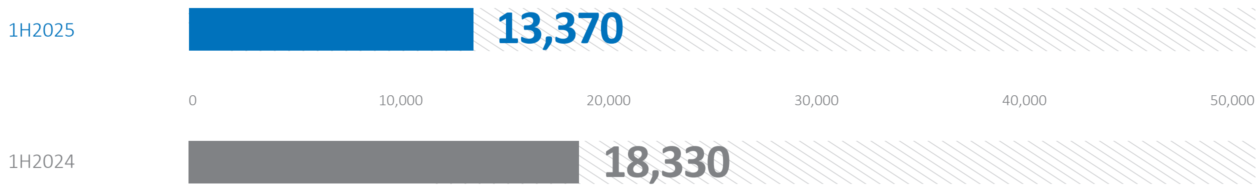
(RMB million)	2025	2024	Changes
Contracted sales	**13,370**	18,330	-27%
Revenue	**6,203**	13,313	-53%
Gross (loss)/profit	**-4,966**	297	N/A
Profit/(loss) for the period	**9,056**	-5,390[3]	N/A
Profit/(loss) attributable to owners of the Company	**10,202**	-5,382	N/A
Earnings/(loss) per share (RMB)			
— Basic	**1.171**	-0.707	N/A
— Diluted	**0.919**	-0.707	N/A
Gross (loss)/profit margin (%)	**-80%**	2%	-82 pts
Net profit/(loss) margin (%)	**147%**	-40%	187 pts
Saleable GFA sold ('000 sq.m.)	**849**	1,514	-44%
Saleable GFA delivered ('000 sq.m.)	**340**	755	-55%

(RMB million)	As at 30 June 2025 (unaudited)	As at 31 December 2024 (audited)	Changes
Total assets	**165,240**	181,405	-9%
Equity attributable to owners of the Company	**4,117**	-12,659	N/A
Cash resources[1]	**5,831**	4,828	21%
Net gearing ratio[2] (%)	**743%**	N/A[3]	N/A
Current ratio (times)	**0.93**	0.88[3]	6%
Landbank ('000 sq.m.)	**27,232**	31,072	-12%

Notes:
1 Including restricted bank deposits
2 Total borrowings minus cash resources divided by total equity
3 Restated

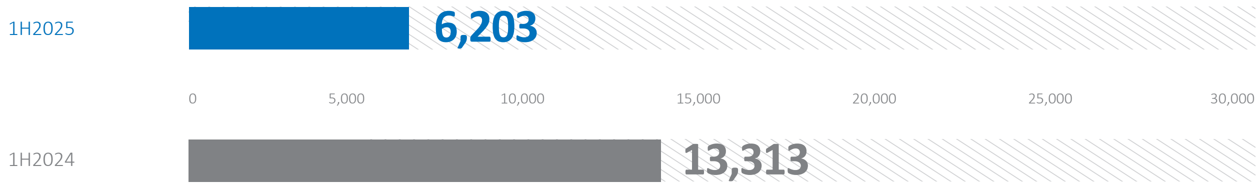
Contracted Sales

(RMB million)



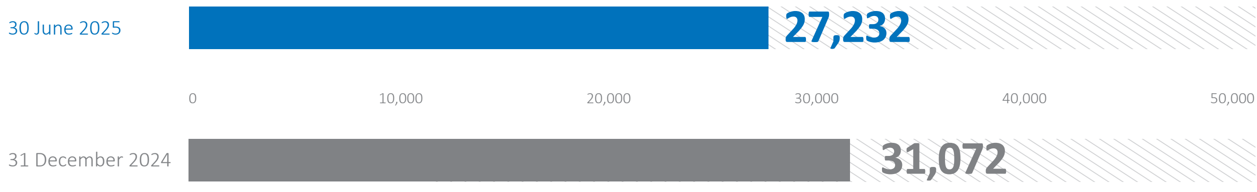
Revenue

(RMB million)



Landbank

('000 sq.m.)



CHAIRMAN'S STATEMENT

On behalf of the Board, I have the pleasure to present the unaudited interim results of the Group for the six months ended 30 June 2025.

2025 INTERIM RESULTS

Due to the continuous adjustment in the real estate market of the PRC in recent years, for the six months ended 30 June 2025, the Group's revenue was RMB6,203 million, representing a YoY decrease of 53%; the gross loss was RMB4,966 million (first half of 2024: gross profit of RMB297 million). Profit attributable to owners of the Company was RMB10,202 million. Basic and diluted earnings per share were RMB1.171 and RMB0.919, respectively.

MARKET REVIEW AND OUTLOOK

In the first half of 2025, the Central Government spoke out consistently to encourage the real estate market to reverse its downward trend and get back on the right track for stable growth. Currently the market is in a state of serious adjustments, housing demand needs to be boosted. The industry's growth momentum still faces tremendous challenges and the market in China on the whole stays at a low ebb. In the first half of the year, sales volume of commodity housing in China was RMB4.4 trillion, 5.5% down YoY, 52% down from the same period in 2021. Compressed sales and asset price adjustments meant that the risks within the industry would take time to resolve. At the same time, some property entities were optimising their balance sheet structure, and responding to market changes through measures like deleveraging and asset-light transformation.

Looking ahead to the second half of 2025, the Group thinks that it will take some time for the situation in China's property market to turn around, and industry risks are still in the process of being cleared. The Central Urban Work Conference proposed that "the country's urbanization is shifting from a period of rapid growth to a period of stable development, and urban development is shifting from large-scale incremental expansion to primarily improving the quality and efficiency of existing assets", and emphasized "promoting urban renewal is key", indicating a clear direction to the real estate industry for high quality development. Going forward, the industry will be in the era of existing asset operation, and businesses such as commercial and asset management, senior living services, property management services, urban renewal, and disposal of existing assets will usher in opportunities for rapid development.

PERFORMANCE REVIEW AND STRATEGY

In the first half of 2025, in view of the new normal in the industry, the Group closely monitored changes in the market, and continued to maintain operations and mitigate risks, while actively expanding its comprehensive property service business and striving to build a new model of sustainable corporate development.

We remained steadfast in quality delivery and raising product capabilities

The Group adhered to the commitment of "serving users with craftsmanship" and the primary duty of guaranteed delivery. In the first half of 2025, the Group overcame multiple challenges to deliver approximately 12,000 residential units in 23 cities. At the same time, the Group exercised stringent quality management and was rewarded with compliments from property owners in numerous projects. Third-party data[1] indicated that our products' overall quality was in the Top 10 for three consecutive years while interior decoration and landscape were Top 5.

Note 1: According to statistics provided by Shenzhen Ruijie Technology Co., Ltd

Actively managing debts to resolve risks in an orderly manner

In the first half of 2025, in a continual challenging financing environment, the Group took proactive measures to resolve the risks of various types of debts, resulting in significant progress in the offshore and onshore debt management.

The Group's offshore debt restructuring was officially effective on 27 March 2025. As the first domestic real estate entity to apply offshore debt restructuring through the UK restructuring plan and the Hong Kong arrangement, this debt restructuring reduced the Group's leverage by approximately USD4 billion, perceptibly improving the asset-liability structure and significantly alleviating offshore liquidity pressure. At the same time, the Group's corporate governance structure and equity structure remained stable, providing strong assurance for long-term steady development.

Domestically, Sino-Ocean Holding, the Group's main onshore business operating entity and bond issuer, is still under considerable debt pressure. In terms of credit debts, although Sino-Ocean Holding completed the phased extension of four corporate bonds in the first half of 2025, the asset-liability structure continued to be under pressure, which severely restricted subsequent operational revenue. Debt risks need to be resolved fundamentally. An overall restructuring of related debts is paramount to return the Group to a healthy development track. On 1 August 2025, Sino-Ocean Holding officially announced the overall restructuring plan, proposing to adjust the repayment arrangements for the principal and interest of the relevant debts, and to offer multiple settlement options such as cash repurchase, equity economic income rights, and debt settlements with assets. Sino-Ocean Holding will actively maintain effective communication with creditors to work out a mutually agreed restructuring plan as soon as possible. At the project-level debt, Sino-Ocean Holding continued to promote "one project one policy", using various means to actively resolve various debt risks such as introducing funds, revitalising assets, negotiating extension and repayment in phases.

Operations commenced steadily while business transformation accelerated

In the first half of 2025, the Group responded to challenges without hesitation and endeavored to establish a new property development model. We continued to cultivate the three major sectors of agent construction, commercial and asset management, and customer service. While steadily advancing its existing businesses, the Group also actively sought business transformation and expanded in various asset-light businesses.

In the property development and agent construction sector, the Group focused on users' needs and leveraged its integrated expertise and capabilities in its "Building・Health" products to full extent. While maintaining the existing asset operation at a stable scale, the Group achieved a breakthrough in the asset-light agent construction business. In the first half of the year, the Group's contracted sales was RMB13.37 billion and was the front runner in Shenzhen, Tianjin and Zhengzhou. The Group's asset-light agent construction business continued to gain momentum in its development. Third-party statistics[2] indicated that our newly contracted GFA of agent construction ranked 8th for the first half of the year, occupying a place in the first echelon of the industry, covering residential, commercial, offices and industrial parks. In the past two years, the Group's excellent strengths in products, sales and marketing, and delivery enabled it to be a service provider to and created value for nearly 100 clients under the "Sino-Ocean Construction Management" brand. Mountain Mansion in Urumqi was a good example. As the "project doctor", Sino-Ocean Construction Management totally revived the client's project through diagnosis and value analysis. Within 14 months, the project was turned around from struggling to becoming Top 10 in sales, eventually delivering to high standards and winning compliments and recognition from the market and all parties.

In the commercial and asset management segment, as a result of its abundant experience in investment property over the years, the Group's commercial space, office, logistics and internet data centers still maintained stable operation despite the industry's overall sluggish environment. In April 2025, the new commercial project Citylane in Wuhan officially opened. The open-space commercial pedestrian complex assembles culture, commerce and art has become a hotspot for Wuhan citizens and tourists all over China. The Group also revitalised related assets and completed the sale of a 23% equity interest of Ocean International Center Phase II in Beijing during the period. At the same time, the Group leveraged its business diversity to explore and expand asset-light businesses. In May of the year, the Group entered into a contract for building and managing a super high-rise landmark project — Tianjin Jingjin International Center, a commercial, cultural and tourism complex, earning market recognition again for Sino-Ocean's comprehensive service capabilities in all dimensions.

Note 2: According to 2025 1H China Real Estate Agent Construction Companies Newly Added Scale Ranking (China Index Academy)

In customer service segment, the Group spared no effort in expanding the senior living and property management service businesses with a view to satisfying people's needs for multi-level elderly care and better living quality. Benefitting from the Senior Living L'Amore brand and serious cultivation for more than 10 years, covering nine major cities and managing over 11,000 beds, the Group's senior living business became a leading brand in the provision of international high-quality health and elderly care. Being hugely influential and equipped with a comprehensive service system, Senior Living L'Amore provided various services to clients including consultancy, commissioned operation, sales agency and staff training. Sino-Ocean Service persevered with pursuing growth centered on property owners' needs and optimizing service quality across the board. It remained steadfast in deep penetration of cities and pushing forward with a market centric approach. In the first half of the year, 3.9 million sq.m. were added to the contracted GFA, of which 96% was acquired through the market centric approach, up 32 percentage points YoY, significantly raising its business independence.

In addition, leveraging its ability to integrate and synergize all sectors in the real estate industry, the Group actively promoted urban renewal, disposal of existing assets and customized residential development, with a view to revitalizing urban spaces, improving the quality and efficiency of existing assets, and promoting the sustainable and high-quality development of people, buildings, the environment and society.

Continued implementation of sustainable development, ESG performance still in the lead

In the first half of 2025, the Group's performance in sustainable development was outstanding and continued to be recognised by rating agencies in the capital market. As at 30 June 2025, among all property enterprises in China, the Group topped the ratings by the Global Real Estate Sustainability Benchmark ("GRESB") and Carbon Disclosure Project ("CDP"), while ratings by S&P Global Corporate Sustainability Assessment ("CSA") and Morningstar were in leading positions.

The wellbeing of the ecological environment is the foundation of the Group's pursuit for health. While pragmatically providing the best products and services to satisfy users, we follow closely trends of the time, paying more attention to the symbiotic relationships of humans, buildings, the environment and society. Green and healthy building standards are an intrinsic part of the Group. Devoted to building green products the Group formulated its own green building standards and internal systems and tools, and continually upgraded and optimised in practice. As at the end of June 2025, the Group had registered 194 green construction projects with a total GFA of 40 million sq.m., over 75% of total projects.

COMPANY STRATEGIES IN THE SECOND HALF OF 2025

In the second half of 2025, the Group will persevere in high-quality delivery, spare no efforts in sustainable operation, strive to expand new businesses, explore and practice sustainable development in this industry's new stage, to be 'reborn after a long struggle'.

Persevere in high-quality delivery. Adhere to the concept of "serving users with craftsmanship", complete smooth delivery of projects to high standards, at the same time establish new industry chain and raise product capabilities.

Strive to succeed in sustainable operation. Accelerate cash collection, boost asset disposal and revitalization, maintain stability of assets in non-development businesses and raise their operating efficiency, and strengthen cash flow management. Raise overall capabilities in solving debt risks, promote overall restructuring of Sino-Ocean Holding credit bonds, solve various debt risks by categories.

Maximize efforts in expanding asset-light businesses. Intensify efforts in asset-light transformation, capitalize on the Group's business diversity and whole industrial chain, and explore actively new models in real estate. Go full steam ahead in expanding asset-light businesses including agent construction, commercial and asset management, senior living services and property management services. Explore new businesses including urban renewal and disposal of existing assets, consolidate and enhance the Group's sustainable operation and development capabilities.

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, 28 August 2025

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW[1]

Revenue

The components of the unaudited revenue for six months ended 30 June are analyzed as follows:

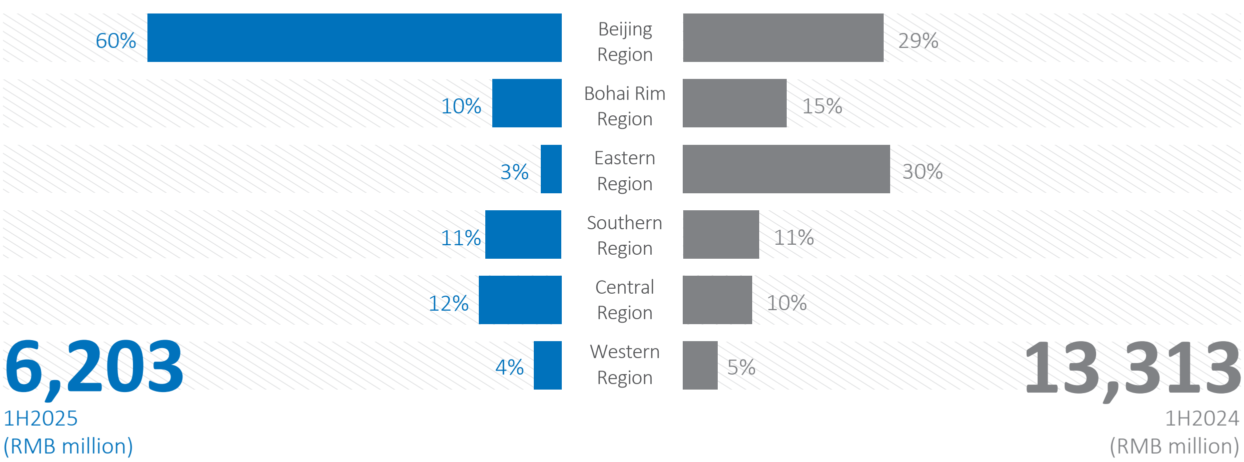
(RMB million)	2025	2024	Changes
Property development	**3,296**	10,300	-68%
Property investment	**144**	181	-20%
Property management and related services	**1,348**	1,361	-1%
Other real estate related businesses	**1,415**	1,471	-4%
Total	**6,203**	13,313	-53%

The revenue of the Group in the first half of 2025 was RMB6,203 million, representing a 53% decrease as compared to RMB13,313 million in the first half of 2024. The property development segment remained the largest contributor, which accounted for approximately 53% of the Group's total revenue. During the first half of 2025, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 29%, 18%, 4%, 20%, 22% and 7%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources.

Property management and related services mainly include (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners.

The other real estate related businesses include whole-industrial chain construction services, internet data center and senior living services and etc.

Revenue contributions by geographical locations for the first half of 2025 and 2024 are analyzed below:



Note 1: In preparing the interim condensed consolidated financial statements for the six months ended 30 June 2025, certain account balances as at 1 January 2024 and 31 December 2024 and amounts incurred for the six months ended 30 June 2024 have been restated. For details on the prior year adjustments, please refer to Note 2.2 to the interim condensed consolidated financial statements in this interim report.

Cost of sales

The Group's total cost of sales for the period was RMB11,169 million (first half of 2024: RMB13,016 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 decreased to approximately RMB6,300 (first half of 2024: RMB8,400 per sq.m.). The decrease was mainly caused by fewer projects located in the first and core second tier cities being delivered in the first half of 2025. The average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB5,700 for the first half of 2025 (first half of 2024: RMB5,800 per sq.m.), which was at the same level as the corresponding period of 2024.

Gross (loss)/profit

Gross loss for the period was RMB4,966 million (first half of 2024: gross profit of RMB297 million). Gross loss margin was approximately 80% (first half of 2024: gross profit margin of 2%). The recorded gross loss for the period was primarily attributed to the continuous adjustment in the overall PRC real estate market, which led to (i) the decreasing industry gross profit margin; and (ii) the provision made by the Group for inventories.

Interests and other income and other losses (net)

Interests and other income for the six months ended 30 June 2025 increased by approximately 27% to RMB448 million (first half of 2024: RMB353 million). Such increase was mainly due to the increase in the interest income during the period.

The Group recorded other losses (net) of RMB3,326 million for the period (first half of 2024: RMB479 million). The recorded other losses (net) for the period were primarily due to the deep adjustment and operational difficulties in the real estate market in the PRC. Other losses (net) for the first half of 2025 mainly comprised of fair value losses of financial assets and financial liabilities at fair value through profit or loss, provision for litigation and goodwill impairment.

Gains from offshore debt restructuring

For the first half of 2025, the Group recorded gains from offshore debt restructuring of RMB31,756 million (first half of 2024: nil). The one-off and non-cash gains were derived from the completion of offshore debt restructuring by the Group during the period.

Revaluation of investment properties

The Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB644 million for the first half of 2025 (first half of 2024: RMB293 million).

Operating expenses

Selling and marketing expenses for the first half of 2025 were RMB361 million (first half of 2024: RMB282 million). The increase for the period was mainly due to the increase in the newly launched projects in the first-tier cities during the period. These costs accounted for approximately 2.7% of the total contracted sales amount for the first half of 2025 (first half of 2024: 1.5%).

Administrative expenses for the first half of 2025 slightly decreased to RMB632 million (first half of 2024: RMB658 million), which represented approximately 10.2% of the total revenue for the first half of 2025 (first half of 2024: 4.9%). We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and low level.

Net impairment losses under expected credit loss model

For the first half of 2025, the Group recorded net impairment losses under expected credit loss model of RMB9,725 million (first half of 2024: RMB297 million). The recorded losses for the period were primarily due to the continuous adjustment in the real estate market in the PRC, which led to the provisions made for expected credit losses on the trade and other receivables and financial guarantee by the Group during the first half of 2025.

Finance costs

Our weighted average interest rate increased from 5.60% (restated) for the first half of 2024 to 5.84% for the first half of 2025. During the first half of 2025, the total interest expenses paid or accrued for the period decreased to RMB2,765 million (first half of 2024: RMB2,813 million (restated)), of which RMB2,065 million (first half of 2024: RMB1,948 million (restated)) was not capitalized and charged to interim condensed consolidated statement of profit or loss.

Taxation

We recorded the aggregate of enterprise income tax and deferred income tax credit of RMB162 million for the first half of 2025 (first half of 2024: tax expense of RMB216 million). The recorded tax credit was mainly attributed to the combined effects of the decrease in revenue and the recorded gross loss during the first half of 2025. In addition, land appreciation tax expense for the first half of 2025 was RMB81 million (first half of 2024: tax credit of RMB646 million). It was mainly due to the reversal of the previous recognized land appreciation tax expense for several projects during the corresponding period of 2024.

Profit/(loss) attributable to owners of the Company

The profit attributable to owners of the Company was RMB10,202 million for the first half of 2025 (first half of 2024: loss of RMB5,382 million). The recorded profit for the reporting period was mainly attributed to the non-cash gains recorded from the completion of the offshore debt restructuring by the Group. Excluding the impact of the aforementioned one-off gains from offshore debt restructuring, the Group recorded a loss attributable to owners of the Company for the first half of 2025, which is mainly attributable to (i) the continuous adjustment in the overall real estate market of China in recent years, resulting in a decrease in revenue and gross profit margin, and an increase in the provision for impairment of property projects; and (ii) a decrease in the share of results from joint ventures and associates.

Financial resources and liquidity

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

(RMB million)	As at 30 June 2025	As a percentage of total borrowings	As at 31 December 2024 (Restated)	As a percentage of total borrowings (Restated)
Within 1 year	**41,676**	**62%**	65,935	67%
1 to 2 years	**11,416**	**17%**	13,489	14%
2 to 5 years	**5,489**	**8%**	13,285	13%
Over 5 years	**8,416**	**13%**	5,664	6%
Total	**66,997**	**100%**	98,373	100%

During the first half of 2025, the Group continued to refine its funding structure, treasury and credit policies and objectives to strengthen the financial control and minimize its risk exposure under the ever changing financial market and global economic environment. We are committed to managing the borrowings at an appropriate level. The Group completed the offshore debt restructuring, with the Group's borrowings decreased from RMB98,373 million (restated) as at 31 December 2024 to RMB66,997 million as at 30 June 2025. Approximately 85% of the Group's total borrowings were denominated in RMB and the remaining were denominated in other currencies, such as USD and HKD. Approximately 68% of the Group's borrowings were made at fixed interest rate.

As at 30 June 2025, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB5,831 million, of which approximately 98% (31 December 2024: 99%) of the Group's cash resources were denominated in RMB with the remaining balances mainly denominated in USD and HKD. The current ratio was 0.93. During the first half of 2025, the Group was taking the initiative in mitigating liquidity risks, so as to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts.

As at 30 June 2025, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 743%. The improvement in net gearing ratio was mainly due to the completion of the Group's offshore debt restructuring, which led to the increase in recorded gains and total equity and the decrease in total debt. Following the release of loose policies in the real estate market in the PRC in the second half of 2025, we will continue to resolve the debt risks and focus on ensuring the delivery of property projects and lowering the net gearing ratio.

Other investments

As of 30 June 2025, the Group had a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds, equity 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 2025.

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

As at 30 June 2025, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB11,711 million (31 December 2024: RMB12,716 million).

As at 30 June 2025, the Group had pledged certain of its property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, equity interests in certain subsidiaries of the Group, etc. to secure short-term borrowings (including the current portion of long-term borrowings) of RMB38,952 million (31 December 2024: RMB25,565 million) and long-term borrowings of RMB24,475 million (31 December 2024: RMB29,406 million). As at 30 June 2025, total pledged assets accounted for approximately 45% of the total assets of the Group (31 December 2024: 40%).

Capital commitments

The Group entered into certain agreements in respect of properties under development and property projects. As at 30 June 2025, the Group had a total capital commitment of RMB11,170 million (31 December 2024: RMB9,827 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 2025, the total amount of the aforesaid guarantees provided by the Group was RMB11,711 million (31 December 2024: RMB12,716 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.

As at 30 June 2025, the Group provided guarantees in the amount of RMB68,407 million for borrowings of joint ventures, associates and third parties (31 December 2024: RMB68,970 million).

Material acquisitions and disposals of subsidiaries, associates and joint ventures

• Disposal of 23% equity interests in an associate

On 11 April 2025, Beijing Yin Gang Real Estate Development Company Limited* (北京銀港房地產開發有限公司) (a wholly-owned subsidiary of the Company, the "Vendor") and Rizhao Steel Holding Group Co., Ltd. (日照鋼鐵控股集團有限公司) (the "Purchaser") entered into an equity transfer agreement (the "Disposal Agreement") in relation to the disposal by the Vendor to the Purchaser of 23% equity interests in Beijing Shengyong Property Development and Investment Company Limited* (北京盛永置業投資有限公司) (the "Target Company") at the consideration of RMB322,304,479.76 (the "Disposal").

The Target Company is principally engaged in investment property development and its wholly-owned subsidiary, Beijing Yuanxiang Property Development Company Limited* (北京遠翔置業有限公司), is the owner of a development named Ocean International Center, Phase II, comprising two international grade-A office premises and one shopping mall, located in Chaoyang District, Beijing, the PRC.

As at the date of the Disposal Agreement, the Target Company was owned as to 35% by the Vendor and 65% by the Purchaser, and was an associate of the Company. Upon completion of the Disposal, the Target Company would be owned as to 12% by the Vendor and 88% by the Purchaser. Accordingly, the Target Company would remain as an associate of the Company and be accounted for in the consolidated financial statements of the Group using equity method. The Disposal had been completed during the period ended 30 June 2025.

Details of the Disposal have been disclosed in the announcement of the Company dated 11 April 2025.

BUSINESS REVIEW

Property development

Recognized sales

The Group's revenue from property development segment decreased by approximately 68% in the first half of 2025 to RMB3,296 million as compared to RMB10,300 million for the corresponding period in 2024. Saleable GFA delivered decreased by approximately 55% from 755,000 sq.m. for the first half of 2024 to 340,000 sq.m. for the first half of 2025. Excluding car park sales, the average selling price recognized for the first half of 2025 decreased to approximately RMB11,000 per sq.m. (first half of 2024: RMB15,000 per sq.m.). The decrease was mainly due to fewer projects located in first-tier and core second-tier cities being delivered during the first half of 2025.

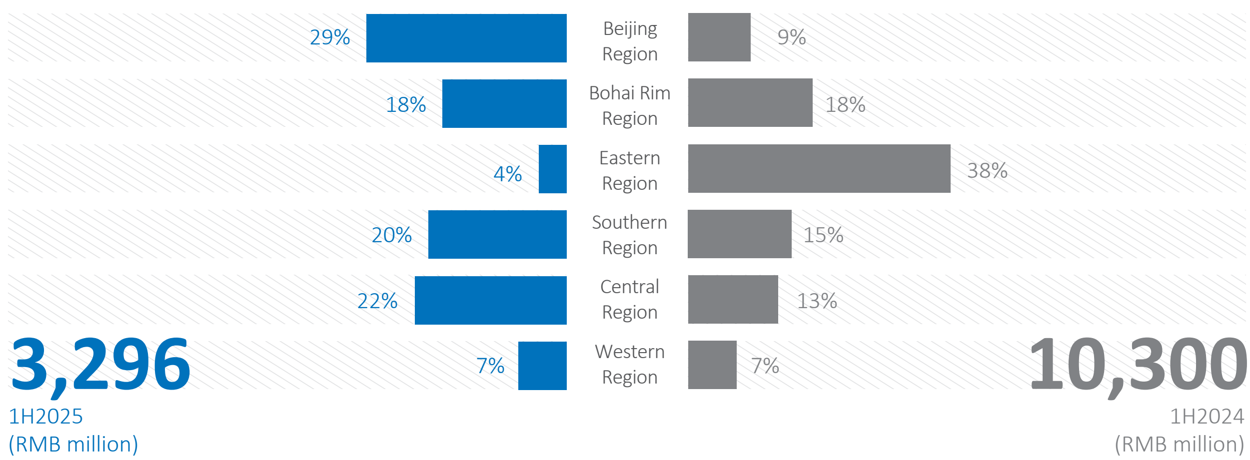
Revenue and saleable GFA delivered by cities during the first half of 2025 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	28	801	35,000
	Taiyuan	274	27,912	9,800
	Qinhuangdao	114	7,937	14,400
	Langfang	413	30,973	13,300
		829	**67,623**	**12,300**
Bohai Rim Region	Tianjin	314	17,582	17,900
	Qingdao	28	3,955	7,100
	Jinan	91	7,622	11,900
	Dalian	14	1,384	10,100
	Shenyang	109	10,217	10,700
		556	**40,760**	**13,600**
Eastern Region	Suzhou	6	736	8,200
	Suqian	1	71	14,100
	Wenzhou	78	5,377	14,500
		85	**6,184**	**13,700**
Southern Region	Shenzhen	1	118	8,500
	Guangzhou	165	11,786	14,000
	Maoming	1	200	5,000
	Fuzhou	92	7,260	12,700
	Jiangmen	64	8,684	7,400
	Zhongshan	236	29,661	8,000
	Zhanjiang	63	9,395	6,700
		622	**67,104**	**9,300**

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Central Region	Wuhan	256	18,911	13,500
	Nanchang	6	726	8,300
	Ganzhou	407	59,048	6,900
		669	**78,685**	**8,500**
Western Region	Chengdu	9	1,080	8,300
	Chongqing	21	1,521	13,800
	Xi'an	174	15,126	11,500
	Guiyang	2	252	7,900
		206	**17,979**	**11,500**
	Other projects	233	11,414	20,400
Subtotal (excluding carparks)		**3,200**	**289,749**	**11,000**
Carparks (various projects)		96	50,410	1,900
Total		**3,296**	**340,159**	**9,700**

During the first half of 2025, the Group developed a balanced mix of contribution from the six regions on its revenue from property development business.

Revenue from property development by geographical locations for the first half of 2025 and 2024 are analyzed below:



Contracted sales

Due to the impact caused by the continuous adjustment in the overall real estate market in the PRC, the Group's contracted sales (including its joint ventures and associates) during the six months ended 30 June 2025 amounted to RMB13,370 million, representing an approximately 27% decrease as compared to RMB18,330 million from the corresponding period in 2024. GFA sold for the first half of 2025 decreased by approximately 44% to 849,000 sq.m. (first half of 2024: 1,514,100 sq.m.). Excluding car park sales, the average selling price increased by approximately 41% to RMB18,900 per sq.m. (first half of 2024: RMB13,400 per sq.m.). The increase in average selling price was primarily because of the increase in newly launched projects in the first-tier cities during the first half of 2025.

There were around 130 projects available for sale during the first half of 2025 (first half of 2024: 160 projects). In terms of distribution, contracted sales from first-tier and second-tier cities accounted for approximately 94%.

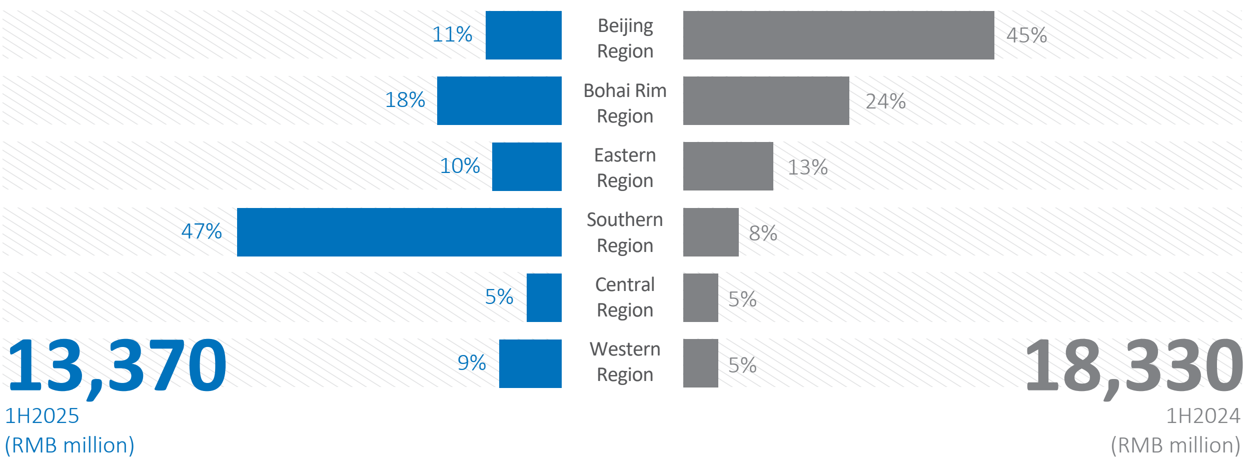
The contracted sales amounts and saleable GFA sold by cities during the first half of 2025 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	930	34,500	27,000
	Taiyuan	61	6,500	9,400
	Qinhuangdao	60	4,500	13,300
	Langfang	95	8,400	11,300
	Jinzhong	78	11,700	6,700
		1,224	**65,600**	**18,700**
Bohai Rim Region	Tianjin	1,454	104,800	13,900
	Qingdao	21	2,700	7,800
	Jinan	739	56,700	13,000
	Dalian	26	3,900	6,700
	Shenyang	24	1,400	17,100
	Changchun	18	2,600	6,900
		2,282	**172,100**	**13,300**

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Eastern Region	Shanghai	312	10,300	30,300
	Suzhou	21	1,200	17,500
	Wuxi	357	19,400	18,400
	Wenzhou	282	11,700	24,100
	Jinhua	22	2,200	10,000
	Yangzhou	2	200	10,000
	Zhenjiang	145	18,400	7,900
	Suqian	82	12,100	6,800
		1,223	**75,500**	**16,200**
Southern Region	Shenzhen	5,706	99,600	57,300
	Guangzhou	22	1,600	13,800
	Fuzhou	46	3,500	13,100
	Foshan	101	7,300	13,800
	Xiamen	212	11,000	19,300
	Maoming	3	800	3,800
	Jiangmen	49	6,600	7,400
	Zhongshan	204	21,700	9,400
	Zhanjiang	34	5,000	6,800
		6,377	**157,100**	**40,600**
Central Region	Wuhan	122	12,600	9,700
	Zhengzhou	196	19,000	10,300
	Hefei	29	10,400	2,800
	Changsha	176	16,400	10,700
	Nanchang	5	1,000	5,000
	Ganzhou	96	11,300	8,500
		624	**70,700**	**8,800**

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Western Region	Chengdu	102	7,800	13,100
	Chongqing	28	2,000	14,000
	Xi'an	229	18,200	12,600
	Kunming	14	4,000	3,500
	Guiyang	651	78,300	8,300
	Urumqi	12	1,000	12,000
	Lanzhou	72	18,100	4,000
	Xining	68	9,200	7,400
	Xishuangbanna	26	3,600	7,200
		1,202	**142,200**	**8,500**
	Other projects	53	4,800	11,000
Subtotal (excluding carparks)		**12,985**	**688,000**	**18,900**
Carparks (various projects)		385	161,000	2,400
Total		**13,370**	**849,000**	**15,700**

Contracted sales amounts by geographical locations for the first half of 2025 and 2024 are analyzed below:



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 2025 were approximately 1,109,000 sq.m. and 953,000 sq.m. respectively, decreased by 84% and 81% respectively as compared to the corresponding period in 2024 and approximately 29% of this year's construction target was achieved in the first half of 2025. We will maintain our construction target of 2025 in order to have sufficient GFA available for sale and delivery to achieve our target in 2025 and support our growth in 2026.

As at 30 June 2025, the landbank of the Group (including its joint ventures and associates) decreased to 27,232,000 sq.m. (31 December 2024: 31,072,000 sq.m.); and landbank with attributable interest decreased to 14,592,000 sq.m. (31 December 2024: 16,464,000 sq.m.) accordingly. During the first half of 2025, we together with our joint ventures and associates did not acquire any plot of land. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2025 was approximately RMB6,400 (31 December 2024: RMB6,200 per sq.m.).

The landbank details of the Group and its joint ventures and associates as at 30 June 2025 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	Captain House	Fengtai District, Beijing	131	100	4	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%
		Central Peak	Changping District, Beijing	256	193	188	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	79	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	88	40.00%
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%
		Jasper Epoch	Daxing District, Beijing	92	78	9	100.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	38	11.10%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	40	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	47	58.00%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	122	31.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	103	21.00%
		Our New World	Fangshan District, Beijing	109	91	13	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Polaris Plaza	Chaoyang District, Beijing	46	–	46	30.06%
		Royal River Villa	Chaoyang District, Beijing	132	118	12	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	43	51.00%
		World View	Chaoyang District, Beijing	71	52	71	25.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	27	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	96	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	70.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				5,153	**4,073**	**2,733**	

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 (%)
	Shijiazhuang	Ande Memorial Park	Jingxing County, Shijiazhuang	110	110	109	88.89%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	29	38.35%
				316	**250**	**192**	
	Taiyuan	Glory Mansion	Xinghualing District, Taiyuan	288	198	288	52.15%
		Jiefang Road Aegean Place	Xinghualing District, Taiyuan	125	–	125	52.15%
		Ocean Crown	Xiaodian District, Taiyuan	53	38	53	100.00%
		Ocean Seasons	Wanbailin District, Taiyuan	308	254	49	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	311	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	26.60%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				2,228	**1,339**	**1,850**	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,064	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	18	52.15%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,194	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	64.30%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	29.16%
				2,415	**1,246**	**1,326**	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	18	60.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,235	30.85%
				13,820	**9,851**	**8,418**	
Bohai Rim Region	Tianjin	Capital Palace	Jizhou District, Tianjin	346	213	193	52.15%
		Happy Light Year	Wuqing District, Tianjin	207	176	29	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	2,579	2,013	1,346	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	19	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	75	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	5	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	15	52.15%
		UPED	Binhai New Area, Tianjin	653	445	483	51.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				5,013	**3,636**	**2,437**	

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 (%)
	Qingdao	Ocean Glory	Shibei District, Qingdao	102	76	1	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	5	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	22	100.00%
				592	**432**	**28**	
	Jinan	Fantastic Time	Tianqiao District, Jinan	535	435	535	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	481	100.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	70.00%
		Ocean Epoch	Lixia District, Jinan	390	371	145	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	17	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	111	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	1	38.95%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	45	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	298	30.66%
				3,543	**2,913**	**1,730**	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	549	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	1	51.00%
		Ocean Orient	Jinpu New Area, Dalian	116	113	116	70.00%
		Ocean Tower River Bay	Lvshunkou District, Dalian	234	200	208	100.00%
				2,036	**1,808**	**874**	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	246	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	3	100.00%
				447	**345**	**249**	
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	209	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				12,307	**9,683**	**5,566**	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	53	52.15%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Moon Mirage	Chongming District, Shanghai	1,072	672	643	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
				1,410	**832**	**778**	
	Hangzhou	Neo 1	Gongshu District, Hangzhou	43	40	15	50.00%
		Ocean New Masterpiece	Gongshu District, Hangzhou	44	33	1	51.00%
				87	**73**	**16**	

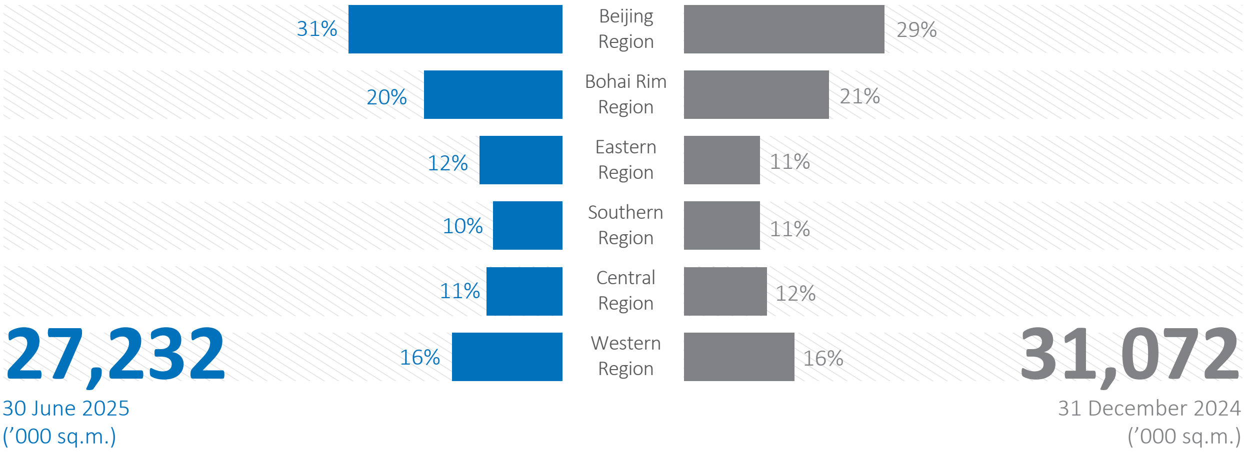
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	47	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	12	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City,Suzhou	108	77	68	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	23	44.27%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
				914	**710**	**227**	
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	58	15.00%
		One Residence	Xinwu District, Wuxi	211	154	31	19.80%
				407	**311**	**89**	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	45	52.15%
				705	**374**	**242**	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	12	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	10	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	161	41.36%
				530	**300**	**265**	
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				548	**348**	**548**	
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	155	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	346	50.00%
	Suqian	Ocean We-life Plaza	Sucheng District, Suqian	117	–	117	14.08%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	33	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	188	14.08%
				1,146	**818**	**338**	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				6,660	**4,392**	**3,139**	
Southern Region	Shenzhen	Ocean Express	Longgang District, Shenzhen	556	437	78	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	92	100.00%
		Ocean No.163 Project	Nanshan District, Shenzhen	141	106	141	48.00%
		Ocean Purity	Longgang District, Shenzhen	152	108	152	39.20%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	59	80.00%
		Peace Palace	Longhua District, Shenzhen	278	201	6	65.29%
		Shanxia Project	Longgang District, Shenzhen	323	303	323	81.00%
				1,657	**1,271**	**851**	

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 (%)
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	8	40.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	2	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	11	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	32	100.00%
				529	**327**	**53**	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	35	100.00%
	Foshan	Delight River	Sanshui District, Foshan	207	192	46	100.00%
		Landscape	Shunde District, Foshan	80	63	39	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	86	50.00%
				427	**362**	**171**	
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	124	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	149	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	41	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	33	100.00%
				307	**234**	**74**	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	812	75.00%
		Ocean Palace	Southern District, Zhongshan	181	134	108	100.00%
				1,353	**1,171**	**920**	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	179	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	74	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
				5,691	**4,462**	**2,633**	
Central Region	Wuhan	Aegean Place	Xinzhou District, Wuhan	62	–	62	52.15%
		Dongxihu Xingou Logistics Project	Dongxihu District, Wuhan	112	–	112	64.30%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	14.87%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	111	70.00%
		Oriental Worldview II	Hanyang District, Wuhan	322	229	322	7.75%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	99	70.00%
				2,680	**1,739**	**795**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	56	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	38.88%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	14	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	8	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	34	100.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	118	23.64%
		Rulinchenzhang	Guanchenghuizu District, Zhengzhou	299	198	299	100.00%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
				1,536	**1,163**	**1,059**	
	Hefei	Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	31	70.00%
				370	**263**	**201**	
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	379	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
				1,429	**1,000**	**930**	
	Nanchang	Cloud View	Jingkai District, Nanchang	81	61	6	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	11	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	30	52.15%
				429	**346**	**47**	
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	1	53.59%
				7,332	**5,216**	**3,033**	
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	96	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	38.88%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	29.16%
				568	**233**	**354**	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	20	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	3	24.50%
		Life In Art Dist	Jiulongpo District, Chongqing	52	37	20	34.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	35	56.10%
				924	**720**	**78**	

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 (%)
	Xi'an	Aegean Place	Xincheng District, Xi'an	104	–	104	26.60%
		Emperor Chic	Weiyang District, Xi'an	321	316	215	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Ocean Mansion	Weiyang District, Xi'an	558	416	442	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	10	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				1,884	**1,363**	**1,380**	
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	84	71.66%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	71.66%
				321	**306**	**183**	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	108	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	11	100.00%
		Sky Masion	Guanshanhu District, Guiyang	297	120	297	26.60%
		Sky Masion, Retail	Guanshanhu District, Guiyang	36	–	36	26.60%
				598	**330**	**452**	
	Urumqi	Royal Mansion	Saybag District, Urumqi	402	293	174	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
				550	**404**	**322**	
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	264	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	106	76.55%
				442	**251**	**191**	
	Luzhou	Sky Masion	Jiangyang District, Luzhou	279	207	279	52.15%
	Xining	Aegean Place	Haihu New District, Xining	121	–	121	76.55%
		Sky Masion	Chengzhong District, Xining	1,278	1,018	514	41.72%
		Sky Palace	Chengxi District, Xining	311	254	117	76.55%
				1,710	**1,272**	**752**	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	122	26.07%
				8,188	**5,816**	**4,377**	
Other Region	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				66	**57**	**66**	
Total				**54,064**	**39,477**	**27,232**	

The landbank by geographical locations as at 30 June 2025 and 31 December 2024 are analyzed below:



The landbank by stages of development as at 30 June 2025 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	34,714	25,643	7,882
Properties under development	14,429	10,389	14,429
Properties held for future development	4,921	3,445	4,921
Total	**54,064**	**39,477**	**27,232**

Property investment

During the first half of 2025, revenue from property investment decreased by approximately 20% to RMB144 million (first half of 2024: RMB181 million). As at 30 June 2025, the Group (including its joint ventures and associates) held more than 23 operating investment properties. Citylane in Wuhan officially opened in April 2025 and has become a popular check-in spot in Wuhan. Our investment properties are mainly prime A-grade office premises, shopping malls, commercial complex and logistics projects at good locations. The total leasable area amounted to approximately 3,565,000 sq.m. as at 30 June 2025 with office developments about 21%, logistics projects about 48%, and others including commercial complexes, car parks and others about 31%. We would continue to implement the asset-light mode for the Group's investment properties and accelerate the cash collection.

The investment properties of the Group and its joint ventures and associates as at 30 June 2025 are 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 (%)
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	89%	100%
Grand Canal Place (Beijing)	Tongzhou District, Beijing	111,000	60,000	51,000	–	–	45%	65%
Ocean Incom (Beijing)	Shunyi District, Beijing	49,000	32,000	2,000	–	15,000	67%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	86%	100%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	70%	100%
Shuyang Ocean We-life Plaza (Suqian)	Shuyang County, Suqian	39,000	–	39,000	–	–	100%	100%
Citylane (Wuhan)	Hanyang District, Wuhan	18,000	–	18,000	–	–	74%	70%
Ocean We-life Plaza (Ganzhou)	Nankang District, Ganzhou	49,000	–	49,000	–	–	95%	54%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	98%	100%
Other projects		59,000	5,000	–	–	54,000		
Subtotal		500,000	245,000	168,000	–	87,000		
Other								
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	93%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	84%	12%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	79%	72%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	93,000	81,000	12,000	–	–	79%	29%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	42,000	–	42,000	–	–	95%	52%
Grand Canal Place (Tianjin)	Hedong District, Tianjin	97,000	–	97,000	–	–	81%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	91%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	96%	64%
Ocean We-life Plaza (Jinan)	Shanghe County, Jinan	34,000	–	34,000	–	–	72%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	62%	61%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	59%	30%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	132,000	–	81,000	–	51,000	96%	60%
Ocean We-life Plaza (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	86%	26%
Grand Canal Place (Fuzhou)	Cangshan District, Fuzhou	93,000	–	93,000	–	–	94%	31%
Other projects		2,104,000	225,000	128,000	1,726,000	25,000		
Subtotal		3,065,000	496,000	667,000	1,726,000	176,000		
Total		**3,565,000**	**741,000**	**835,000**	**1,726,000**	**263,000**		

Commercial properties in progress

The Group has built a sound foundation for office complex operation and management since the development of investment property development and operation. The Group has cultivated strengths in commercial and logistics 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 logistics projects.

The Group has commercial property resources pending for development and operation by stages, which will boost a strong portfolio of cross regional and diversified products.

Property management and related services

Our key subsidiary, Sino-Ocean Service (Stock Code: 06677.HK) is a comprehensive service provider for customers and cover the entire property management value chain. We always adhere to the service philosophy of "Being understanding and innovative". Sino-Ocean Service aims to provide premium property management services that make available conveniences in daily life and foster a more valuable living environment and experience for property owners and residents.

For the six months ended 30 June 2025, the Group's revenue from property management and related services was RMB1,348 million, a decrease of approximately 1% from RMB1,361 million for the corresponding period in 2024, maintaining efficient and stable operating capacities.

As of 30 June 2025, Sino-Ocean Service's total contracted GFA of property management services reached 121.6 million sq.m.[1], covering 87 cities[1] across 28 provinces, autonomous regions and municipalities[1] in China; total GFA under management reached 93.5 million sq.m.[1] and 567 properties[1] were under our management. Our property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities).

Asset-light agent construction

Our group has accumulated extensive experience in the agent construction business and has a dedicated service platform, Sino-Ocean Management. Our projects span across the country, offering comprehensive and full-chain services in the real estate sector, including consulting, product positioning, construction management, marketing and quality delivery services. These services cover various businesses such as residential, commercial, office, hotel, industrial parks, and senior living. According to the third-party data[2], Sino-Ocean Management ranked TOP10 in newly added scale among Chinese real estate companies for agent construction, and entering the first tier of the agent construction industry.

Note 1: Including for those provided to the Group and its affiliates
Note 2: According to 2025 1H China Real Estate Agent Construction Companies Newly Added Scale Ranking (China Index Academy)

OTHER INFORMATION

Key risk factors and uncertainties

The following lists out the key risks and uncertainties being faced by 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.

In light of the uncertainties of the economic environment and the changes in the industry, we have adopted a series of measures to stabilize operation and resolve the debt risks. At the same time, the Group continues to monitor the above factors and works together with those stakeholders to formulate actions to deliver sustainable development of economic, social and environmental values.

Risk of exposure to interest rate fluctuations

Certain of the Group's borrowings are with floating interest rates. For the first half of 2025, the weighted average interest rate of the Group was 5.84%, which increased by 24 basis points as compared to the corresponding period in 2024 (restated). The Group has closely monitored interest rate movements and assessed its impacts to the Group's financial performance and operations.

Risk of exposure to exchange rate fluctuations

As at 30 June 2025, approximately 15% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuations in foreign exchange rates. As non-RMB currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-RMB currencies. The Group has never engaged in the dealing of any financial derivative instruments for speculative purposes. Our operation has not been materially affected by the exchange rate fluctuations. The Group will continuously monitor exchange rate movements and consider appropriate measures to reduce the exchange rate risk.

EMPLOYEES AND HUMAN RESOURCES

As at 30 June 2025, the Group had 12,218 employees (31 December 2024: 12,586 employees). The decrease in the number of employees was mainly due to the continuous optimization of manpower in the property development and its related businesses. The Group's staff cost in the period decreased to RMB1,156 million (first half of 2024: RMB1,182 million). The decrease in staff cost was mainly the net effect of the reduction of staff cost in the property development segment and the increase of one-off cost related to the optimization of manpower during the period.

The Group's remuneration system has been established with reference to the corporate business performance, the efficiency and accomplishments of the staff and the remuneration level of the same industry in the market. The Company offers share options to motivate competitive staff at appropriate times. We adhere to the performance-oriented payment concept and incentive scheme, focusing on channeling limited resources towards front-line teams and core performance personnel for ensuring the housing delivery, risk mitigation and revenue growth. To facilitate continuous employee development, the Group provides a variety of learning and training programmes, enhancing team capabilities through workshops, collaborative team efforts. This strategic focus aims to attract, motivate and retain talented staff, who in return can ultimately bring in higher return to our investors.

ADDITIONAL INFORMATION ON DISCLAIMER OF CONCLUSION EXPRESSED BY AUDITOR ON THE 2025 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2024 as disclosed in the Independent Auditor's Report in the 2024 annual report of the Company, BDO did not express a conclusion (the"Disclaimer of Conclusion") on the interim condensed consolidated financial statements for the six months ended 30 June 2025 (the "2025 Interim Condensed Consolidated Financial Statements"). Details of the disclaimer of conclusion are described in the paragraphs headed "BASIS FOR DISCLAIMER OF CONCLUSION — Multiple Uncertainties Relating to Going Concern" in the Report on Review of Interim Condensed Consolidated Financial Statements in this interim report.

The management of the Group has given careful consideration to the Disclaimer of Conclusion and the basis thereof and has had continuous discussions with BDO during the preparation of the 2025 Interim Condensed Consolidated Financial Statements.

The management of the Group understands that the Disclaimer of Conclusion relates solely to the validity of going concern assumption, on which the 2025 Interim Condensed Consolidated Financial Statements have been prepared and which depends upon the successful implementation of certain plans and measures, which are in turn subject to multiple uncertainties.

The management of the Group has carefully considered the Group's cash flow forecast for the next 12 months from 30 June 2025 and has given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, has proactively formulated certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in note 2.1 to the 2025 Interim Condensed Consolidated Financial Statements in this interim report (the "Relevant Plans and Measures"). Further information on the holistic debt management for offshore debts and the extension of onshore open market debts are also set out in the below paragraphs headed "COMPLETION OF HOLISTIC DEBT MANAGEMENT FOR RELEVANT OFFSHORE DEBTS" and "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS".

Assuming the success of the Relevant Plans and Measures, the management of the Group considers that the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least 12 months from 30 June 2025. Accordingly, the management of the Group is of the opinion that it is appropriate to prepare the 2025 Interim Condensed Consolidated Financial Statements on a going concern basis.

The Audit Committee had discussed with the Board and the management of the Group regarding the going concern issue. With the orderly implementation of the Relevant Plans and Measures, the Audit Committee agreed with the position taken by the Group's management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee also discussed and understood the concerns of BDO that uncertainties exist as to whether the management of the Group will be able to achieve the Relevant Plans and Measures. There is no disagreement by the Board, the Group's management nor the Audit Committee with the position taken by BDO regarding the going concern issue.

COMPLETION OF HOLISTIC DEBT MANAGEMENT FOR RELEVANT OFFSHORE DEBTS

References are made to the announcements of the Company (collectively, the "Offshore Debts Announcements") dated 18 July 2024, 3 February 2025, 6 February 2025, 19 February 2025 and 27 March 2025 in relation to, among others, the holistic debt management of the relevant offshore debts of the Group ("Offshore Debts Restructuring").

As set out in the Offshore Debts Announcements, on 27 March 2025, each of the conditions to the Offshore Debts Restructuring had been satisfied and the effective date of the Offshore Debts Restructuring occurred on the same date (the "Restructuring Effective Date"). The Offshore Debts Restructuring involves the discharge and release of all claims of the in-scope creditors under the in-scope debts amounting to approximately USD6,315 million upon the distribution of the consideration to the in-scope creditors on the Restructuring Effective Date consisting of (a) new debts in an aggregate principal amount of USD2,200 million, which consists of new loan and new notes, and (b) mandatory convertible bonds and/or the new perpetual securities in a combined aggregate principal amount of approximately USD4,115 million.

The successful implementation of the Offshore Debts Restructuring reduced the Group's leverage by approximately USD4 billion, which significantly improved its asset-liability structure and greatly alleviated its offshore liquidity pressures.

For further details of the Offshore Debts Restructuring, please refer to the Offshore Debts Announcements.

RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS

References are made to the announcements of the Company published on the Stock Exchange and the announcements of Sino-Ocean Holding published on the Shanghai Stock Exchange, both dated 9 May 2025, 30 May 2025, 12 June 2025, 19 June 2025, 10 July 2025, 18 July 2025, 28 July 2025, 1 August 2025 and 14 August 2025, in relation to the onshore open market debts of the Group (collectively, the "Onshore Open Market Debts Announcements").

As set out in the Onshore Open Market Debts Announcements, 2025 first bondholders' meetings for four onshore corporate bonds have been duly convened, at which resolutions on adjustment of arrangements for repayment of principal and interest and other matters have been considered and approved. Remittance of the fund for the repayment of 0.3% of the remaining principal of such bonds in accordance with the respective resolutions was made subsequently.

To advance sustainable operations going forward, in light of Sino-Ocean Holding's current situation, after coordination of its indirect controlling shareholder, the Company, it is preliminarily planned to provide an overall restructuring plan to holders of the existing onshore corporate bonds and interbank directed debt financing instruments (collectively, the "Target Bonds"). This plan will adjust the repayment arrangements for the principal and interest of the Target Bonds and offer multiple settlement options, including cash repurchase, equity economic income right, and debt settlement with assets. Sino-Ocean Holding will advance the restructuring of the Target Bonds by convening bondholders' meeting(s). The final restructuring plan shall be subject to the resolutions set forth in the bondholders' meeting notice(s).

In order to implement the subsequent repayment arrangements of relevant bonds, ensure fair information disclosure and protect the interests of bond investors, the trading of Sino-Ocean Holding's seven subsisting corporate bonds have been suspended with effect from the commencement of trading hours of the Shanghai Stock Exchange on 15 August 2025. Sino-Ocean Holding will actively negotiate and communicate with investors during the grace period for repayment of corporate bonds to strive for reaching a consensus on the risk resolution plan as soon as possible.

Please refer to the Onshore Open Market Debts Announcements for details.

IMPORTANT EVENTS AFTER THE PERIOD ENDED 30 JUNE 2025

Save as disclosed below and in the above paragraphs headed "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS" and Note 29 to the interim condensed consolidated financial statements in this interim report, as at the Latest Practicable Date, there was no important event affecting the Group after the period ended 30 June 2025.

- ## Internal restructuring of assets

On 16 July 2025, the Company (on behalf of each relevant member of the Group) and Sino-Ocean Service (a 63.82%-owned subsidiary of the Company, on behalf of each relevant member of Sino-Ocean Service Group) entered into a framework agreement, in relation to the return of certain assets by Sino-Ocean Service Group to the Group (the "Return"). The assets to be returned comprise 2,684 parking spaces located in the PRC (the "Target Assets"), which form part of the assets transferred by the Group to Sino-Ocean Service Group pursuant to the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 (collectively, the "Original Assets Transfer Framework Agreements") in relation to the acquisition by the relevant members of Sino-Ocean Service Group of certain parking spaces and commercial properties from the relevant members of the Group. The Return will be effected by way of cancellation of the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements, and the original transfer price of RMB323,200,000 for the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by a long term loan to be granted by Sino-Ocean Service or its designated wholly-owned subsidiary (as lender) to a designated wholly-owned subsidiary of the Company (as borrower), with the Company acting as the guarantor for the loan.

The Return is in substance an internal restructuring of assets of the Group from a 63.82%-owned subsidiary to wholly-owned subsidiaries of the Company which would result in a net acquisition of approximately 36.18% interest in the Target Assets by the Group. The Return has not been completed as of the Latest Practicable Date.

Details of the Return have been disclosed in the announcement of the Company dated 16 July 2025.

DISCLOSURE OF INTERESTS

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

As at 30 June 2025, the interests and short positions of each of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long position in the Shares and the underlying Shares

Name of Directors	Capacity/ nature of interest	As at 30 June 2025 No. of Shares held	Approximate percentage in the Company's total issued share capital (Note iii)
Mr. LI Ming	Founder of discretionary trust	127,951,178 (Note i)	1.154%
	Beneficiary of trust	14,914,200 (Note ii)	0.135%
	Beneficial owner	65,445,000	0.590%
Mr. WANG Honghui	Beneficial owner	273,295	0.002%
Mr. CUI Hongjie	Beneficial owner	369,571	0.003%
Ms. CHAI Juan	–	–	–
Mr. ZHANG Zhongdang	–	–	–
Mr. YU Zhiqiang	–	–	–
Ms. SUN Jianxin	–	–	–
Ms. WANG Manling	–	–	–
Mr. HAN Xiaojing	Beneficial owner	460,000	0.004%
Mr. LYU Hongbin	–	–	–
Mr. LIU Jingwei	–	–	–
Mr. JIANG Qi	–	–	–
Mr. CHEN Guogang	–	–	–

Notes:

(i) The 127,951,178 Shares are held by a discretionary trust of which Mr. LI Ming is the founder.

(ii) The 14,914,200 Shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

(iii) Calculated based on the Company's total number of issued Shares of 11,084,626,745 Shares as at 30 June 2025.

Long position in the shares of the associated corporation

			As at 30 June 2025	
Name of Director	Name of associated corporation	Capacity/ nature of interest	No. of ordinary shares of associated corporation held	Approximate percentage of total issued share capital of associated corporation (Note)
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 635,570,000 shares as at 30 June 2025.

Save as disclosed above, none of the Directors nor the chief executives of the Company had any interest or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2025 as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save for the share options granted pursuant to the 2018 Option Scheme as set out in the section headed "SHARE OPTION SCHEME OF THE COMPANY" in this report, at no time during the six months ended 30 June 2025, 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 the 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

As at 30 June 2025, other persons' interests and short positions in Shares and underlying Shares (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

			As at 30 June 2025	
Name of Shareholders	**Capacity/ nature of interest**	**Long/short position**	**No. of Shares held**	**Approximate percentage in the Company's total issued share capital** (Note v)
China Life Group (Note i)	Interest of controlled corporation	Long	2,253,459,151	20.33%
Dajia Insurance Group (Note ii)	Interest of controlled corporation	Long	2,252,646,115	20.32%
HSBC Holdings plc (Note iii)	Interest of controlled corporation	Long	723,417,174	6.53%
	Custodian (other than an exempt custodian interest)	Long	83,047	0.0007%
Walkers Fiduciary Limited (Note iv)	Interest of controlled corporation	Long	627,564,732	5.66%

Notes:

(i) The 2,253,459,151 Shares were registered in the name of, and beneficially owned by, China Life Insurance. China Life Group was interested in 68.37% of China Life Insurance. China Life 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. Dajia Insurance Group was interested in 99.98% of Dajia Life Insurance. Dajia Insurance Group was deemed to be interested in these Shares by virtue of the SFO.

(iii) According to the Form 2 — Corporate Substantial Shareholder Notice for the relevant event on 16 May 2025 submitted by HSBC Holdings pls, out of an aggregate of 723,500,221 Shares held, 704,960,431 Shares are derivative interests, among which 704,960,365 Shares are listed derivatives (convertible instruments) and 66 Shares are unlisted derivatives (cash settled). For further details, please refer to the Form 2 — Corporate Substantial Shareholder Notice for each of the relevant events on 27 March 2025, 15 April 2025, 24 April 2025 and 16 May 2025 submitted by HSBC Holdings plc.

(iv) According to the Form 2 — Corporate Substantial Shareholder Notice for the relevant event on 27 March 2025 submitted by each of Walkers Fiduciary Limited ("Walkers") and Atlantic SPV Limited ("Atlantic SPV"), Atlantic SPV beneficially held MCBs. Upon full conversion of the MCBs assuming the minimum conversion price of HKD1.55 per Share, 627,564,732 Shares will be allotted and issued to Atlantic SPV. Walkers legally owned 100% of the shares in Atlantic SPV, but Walkers held the beneficial interest in Atlantic SPV on trust ultimately for and on behalf of the Cayman Islands Charities. Walkers was deemed to be interested in these Shares by virtue of the SFO. All of the 627,564,732 Shares held are derivative interests, comprising only listed derivatives (convertible instruments). For further details, please refer to the Form 2 — Corporate Substantial Shareholder Notice for the relevant event on 27 March 2025 submitted by each of Walkers and Atlantic SPV.

(v) Calculated based on the Company's total number of issued Shares of 11,084,626,745 Shares as at 30 June 2025.

Save as disclosed above, the Company had not been notified by any person or corporation who had interests or short positions in the Shares or underlying Shares as at 30 June 2025 as recorded in the register required to be kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Group 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 applied the principles of the CG Code, which was in force throughout the six months ended 30 June 2025, to its corporate governance structure and practices as described in the annual report of the Company for the year ended 31 December 2024 and complied with the applicable code provisions of the CG Code throughout the six months ended 30 June 2025, except for the deviation as disclosed below.

The roles of the Chairman and the CEO are served by Mr. LI Ming and have not been segregated as required under code provision C.2.1 of the CG Code. The Company considers that the combination of the roles of the Chairman and the CEO involves a realignment of power and authority under the existing corporate structure and facilitates 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 efficiency in 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.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 has been reviewed by the auditor of the Company, BDO, 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 pages 44 to 46 of this report.

AUDIT COMMITTEE

The Audit Committee consists of three INEDs namely Mr. LIU Jingwei, Mr. LYU Hongbin and Mr. CHEN Guogang and two NEDs, namely Mr. YU Zhiqiang and Ms. SUN Jianxin. Mr. LIU Jingwei is the chairman of the Audit Committee. He has professional qualifications in accountancy. None of the members of the Audit Committee is a member of the former or existing auditors of the Company or has any financial interest in the firm.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group, significant audit matters such as significant accounting estimates and judgmental areas and discussed, among other things, the Group's internal control, risk management and financial reporting matters including review of the Company's audited annual results and annual report for the year ended 31 December 2024, unaudited interim results and the interim report for the six months ended 30 June 2025 and reports issued by risk management department of the Group.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted 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/she had complied with all required standards set out in the Model Code and the Code of Conduct throughout the six months ended 30 June 2025.

The Company has also set out a guideline regarding securities transactions by the relevant employees (the "Relevant Employees") who, because of their roles and functions in the Company or its subsidiaries, are likely to be in possession of inside information. All the Relevant Employees are reminded of the necessity for compliance with the guideline regularly.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors since March 2025 to the date of this report required to be disclosed are set out below:

- On 3 April 2025, the Company renewed the letter of appointment with Mr. ZHANG Zhongdang, a NED, regarding his re-appointment as the consultant of the Company for a term of one year commencing from 1 April 2025 with annual remuneration of not exceeding RMB1,240,000 pursuant to which Mr. ZHANG will provide engineering management consultancy and miscellaneous advice to certain subsidiaries of the Company.
- On 3 April 2025, the Company renewed the letter of appointment with Mr. YU Zhiqiang, a NED, regarding his re-appointment as the consultant of the Company for a term of one year commencing from 1 April 2025 with annual remuneration of not exceeding RMB1,100,000 pursuant to which Mr. YU will provide financial management consultancy and miscellaneous advice to certain subsidiaries of the Company. In addition, Mr. YU has been a senior accountant since 15 November 2024.
- Mr. LIU Jingwei, an INED, was appointed as an independent non-executive director of Beijing Energy International Holding Co., Ltd., a company listed on the Stock Exchange, on 11 July 2025. Mr. LIU has been re-designed from a non-executive director to an executive director of Shoucheng Holdings Limited, a company listed on the Stock Exchange, with effect from 18 June 2025. In addition, Mr. LIU ceased to be an independent director of Hubei Huaqiang High-Tech Co., Ltd.* (湖北華強科技股份有限公司), a company listed on the Shanghai Stock Exchange with effect from 24 April 2025.

SHARE OPTION SCHEME OF THE COMPANY

The 2018 Option Scheme (details of which were set out in the circular of the Company dated 16 July 2018) is valid and effective for a period of 10 years until 5 August 2028, unless it is terminated early in accordance with its provisions. The number of share options available for grant (and the number of Shares issuable under the share options available for grant) under the 2018 Option Scheme was 17,400,000 at the beginning and the end of the financial period for the six months ended 30 June 2025, representing approximately 0.15% of the total number of the issued Shares as at the date of this report (i.e. 11,635,871,116 Shares).

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 2025 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 2025	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2025
Director						
Mr. HAN Xiaojing	25 Mar 2020	25 Mar 2021 — 24 Mar 2025	2.106	600,000	(600,000)	–

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 2025, no share option was granted, exercised or cancelled with respect to the 2018 Option Scheme.

(iii) During the six months ended 30 June 2025, no share option was held by the five highest paid individuals of the Group.

(iv) During the six months ended 30 June 2025, no share option was held by the other employees of the Group (exclude the Directors and the five highest paid individuals of the Group).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the sale of treasury shares, if any) of the Company during the period under review. As at 30 June 2025, the Company did not hold any treasury shares.

MANDATORY CONVERTIBLE BONDS

On 27 March 2025, the Company issued Class A zero-coupon mandatory convertible bonds due 2027 ("Class A MCB"), Class B zero-coupon mandatory convertible bonds due 2027 ("Class B MCB"), Class C zero-coupon mandatory convertible bonds due 2027 ("Class C MCB") and Class D zero-coupon mandatory convertible bonds due 2027 ("Class D MCB", collectively with Class A MCB, Class B MCB and Class C MCB, the "MCBs") in the aggregate principal amount of USD2,927,460,067 to the in-scope creditors as part of the consideration for the holistic debt management of the relevant offshore debts of the Group (the "Offshore Debts Restructuring"). Further details of the Offshore Debts Restructuring and the MCBs are set out in the announcements and circular of the Company from 18 July 2024 to 27 March 2025.

During the period from 27 March 2025 to 30 June 2025, based on the conversion prices of HKD1.55 per Share for Class A MCB, HKD5.74 per Share for Class B MCB, HKD17.26 per Share for Class C MCB and HKD11.36 per Share for Class D MCB, and the agreed exchange rate of USD1 = HKD7.82 in each case, a total of 3,468,531,088 Shares were issued and allotted to the MCBs converting holders (i.e. in-scope creditors of the Offshore Debt Restructuring) as a result of conversion of the MCBs in the aggregate principal amount of USD1,232,968,399.

Dilutive Impact of the Conversion of the MCBs

As at 30 June 2025, USD1,694,491,668 in aggregate principal amount of the MCBs remained outstanding. Assuming there is full conversion of the MCBs, based on the minimum conversion prices of HKD1.55 per Share for Class A MCB, HKD5.74 per Share for Class B MCB, HKD17.26 per Share for Class C MCB and HKD11.36 per Share for Class D MCB, and the agreed exchange rate of USD1 = HKD7.82 in each case, the MCBs can be converted into a maximum aggregate of 3,066,508,812 Shares, representing approximately 27.66% of the total number of Shares in issue (excluding treasury shares, if any) as at 30 June 2025 (i.e. 11,084,626,745 Shares) and approximately 21.67% of the total number of Shares in issue (excluding treasury shares, if any) as enlarged by the issue and allotment of such conversion shares (assuming no other change in the issued share capital of the Company) (i.e. 14,151,135,557 Shares).

Set out below is the dilutive impact on respective shareholdings of the substantial shareholders (within the meaning of the Listing Rules) of the Company if there had been full conversion of the MCBs as at 30 June 2025:

	As at 30 June 2025		Upon full conversion of the outstanding MCBs as at 30 June 2025	
	Number of Shares held	Approximate percentage of shareholding	Number of Shares held	Approximate percentage of shareholding
China Life Insurance[(i)]	2,253,459,151	20.33%	2,253,459,151	15.92%
China Life Group[(i)]	2,253,459,151	20.33%	2,253,459,151	15.92%
Dajia Life Insurance[(ii)]	2,252,646,115	20.32%	2,252,646,115	15.92%
Dajia Insurance Group[(ii)]	2,252,646,115	20.32%	2,252,646,115	15.92%

Notes:

(i) The 2,253,459,151 Shares were registered in the name of, and beneficially owned by, China Life Insurance. China Life Group was interested in 68.37% and was a controlling shareholder of China Life Insurance.

(ii) The 2,252,646,115 Shares were registered in the name of, and beneficially owned by, Dajia Life Insurance. Dajia Insurance Group was interested in 99.98% and was a controlling shareholder of Dajia Life Insurance.

As calculated based on the profit attributable to owners of the Company of approximately RMB10,202 million and the distributions related to perpetual securities of approximately RMB23 million for the six months ended 30 June 2025, basic earnings per Share amounted to RMB1.171, and diluted earnings per Share amounted to RMB0.919 on the assumption of full conversion of the MCBs.

The MCBs will be mandatorily convertible into Shares upon maturity and will not be redeemed by cash. It would be equally financially advantageous for the holders of the MCBs to convert or redeem the MCBs based on the implied internal rate of return thereof, when the Company's share price approximates to the respective conversion price in the future.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2025, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% under the assets ratio 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 2025 is presented as follows:

	RMB (million)
Non-current assets	27,155
Current assets	71,280
Current liabilities	(58,316)
Non-current liabilities	(34,340)
Net assets	**5,779**

The Group's attributable interest in the affiliated companies as at 30 June 2025 amounted to approximately RMB3,880 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2025.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

INTRODUCTION

We were engaged to review the interim condensed consolidated financial statements set out on pages 47 to 94, which comprises the interim condensed consolidated statement of financial position of Sino-Ocean Group Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2025 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). 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" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made 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.

BASIS FOR DISCLAIMER OF CONCLUSION

Multiple Uncertainties Relating to Going Concern

As disclosed in Note 2.1 to the interim condensed consolidated financial statements, the Group incurred a loss of approximately RMB22.70 billion for the period ended 30 June 2025 after excluding the gain on offshore debt restructuring and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB9.06 billion. The Group had total borrowings of approximately RMB67.00 billion, of which the current borrowings amounted to approximately RMB41.68 billion, while the Group had cash and cash equivalents of approximately RMB2.00 billion only.

As at 30 June 2025, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB14.03 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.53 billion in aggregate according to their scheduled repayment dates. And due to the terms in the relevant borrowings' agreements, borrowings in principal amount totaling approximately RMB11.97 billion as at 30 June 2025 might be demanded for early repayment. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the creditors on adjusting the repayment schedules of these debts.

On 1 August 2025, the Group announced the commencement of a restructuring plan for its onshore bonds ("onshore debts restructuring plan"). The onshore debts restructuring plan comprises of (i) seven listed onshore bonds with aggregate carrying amount of approximately RMB13.07 billion as at 30 June 2025. To commence the restructuring plan, these listed bonds suspended trading with effect from 15 August 2025; and (ii) three other onshore bonds with aggregate carrying amount of approximately RMB5.00 billion as at 30 June 2025. As at the date of approval of the interim condensed consolidated financial statements, the onshore debts restructuring plan is still in progress.

In addition, the Group has been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provisions. Details are disclosed in Note 20.

All these events or conditions indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2025 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in Note 2.1 to the interim condensed consolidated financial statements. The validity of going concern assumption on which the interim condensed consolidated financial statements have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including, but not limited to:

— Successful negotiation with the bondholders for the onshore bonds and successful implementation of the onshore debt restructuring plan;

— Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;

— The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;

— The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and to successfully implement its business strategy and cost control measures so as to improve the Group's working capital and cash flow position.

As a result of the above-mentioned multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form a conclusion as to whether the use of the going concern basis of preparation is appropriate.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in Note 2.1 to the interim condensed consolidated financial statements on a timely basis, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2024 relating to the going concern basis of preparing the consolidated financial statements. Any adjustments to the balances as at 31 December 2024 would affect the balances of these interim condensed consolidated financial statements items as at 1 January 2025 and the corresponding movements, if any, during the six months ended 30 June 2025. The balances as at 31 December 2024 are presented as corresponding figures in the interim condensed consolidated statement of financial position as at 30 June 2025. We disclaimed our review conclusion on the interim condensed consolidated financial statements for the six months ended 30 June 2025 also for the possible effect of the disclaimer of audit opinion on the consolidated financial statements for the year ended 31 December 2024 on the comparability of 2024 figures and 2025 figures in these interim condensed consolidated financial statements.

DISCLAIMER OF CONCLUSION

Because of the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on these interim condensed consolidated financial statements described in the "Basis for Disclaimer of Conclusion" section of our report, we do not express a conclusion on these interim condensed consolidated financial statements.

BDO Limited
Certified Public Accountants

Chan Wing Fai
Practicing Certificate no. P05443
Hong Kong
28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000 (Restated)
Revenue	6	**6,203,069**	13,313,451
Cost of sales		**(11,169,233)**	(13,016,643)
Gross (loss)/profit		**(4,966,164)**	296,808
Interests and other income		**447,672**	353,276
Other losses — net	21	**(3,326,486)**	(478,723)
Fair value change on investment properties	9	**(643,676)**	(292,770)
Selling and marketing expense		**(360,808)**	(282,350)
Impairment losses under expected credit loss model		**(9,724,988)**	(296,780)
Impairment loss on assets classified as held for sale		**–**	(1,706,630)
Administrative expense		**(631,543)**	(657,843)
Operating loss		**(19,205,993)**	(3,065,012)
Gains from offshore debt restructuring	17	**31,756,397**	–
Finance costs	22	**(2,064,729)**	(1,948,086)
Share of results of joint ventures		**(1,173,565)**	(751,265)
Share of results of associates		**(337,339)**	(55,983)
Profit/(loss) before income tax		**8,974,771**	(5,820,346)
Income tax credit	23	**81,386**	429,950
Profit/(loss) for the period		**9,056,157**	(5,390,396)
Attributable to:			
— Owners of the Company		**10,202,141**	(5,381,705)
— Non-controlling interests		**(1,145,984)**	(8,691)
		9,056,157	(5,390,396)
Earnings/(loss) per share attributable to owners of the Company during the period (expressed in RMB)			
Basic earnings/(loss) per share	24	**1.171**	(0.707)
Diluted earnings/(loss) per share	24	**0.919**	(0.707)

The notes on pages 54 to 94 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000 (Restated)
Profit/(loss) for the period	**9,056,157**	(5,390,396)
Other comprehensive income/(loss), net of tax		
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income, net of tax	**25,888**	(43,829)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**496,686**	(133,173)
Share of other comprehensive income of investments accounted for using the equity method	**(27,421)**	(313,407)
Other comprehensive income/(loss) for the period	**495,153**	(490,409)
Total comprehensive income/(loss) for the period	**9,551,310**	(5,880,805)
Total comprehensive income/(loss) attributable to:		
— Owners of the Company	**10,706,576**	(5,900,271)
— Non-controlling interests	**(1,155,266)**	19,466
Total comprehensive income/(loss) for the period	**9,551,310**	(5,880,805)

The notes on pages 54 to 94 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2025 RMB'000**	As at 31 December 2024 RMB'000 (Restated)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	**2,855,021**	3,324,732
Right-of-use assets		**1,429,950**	1,501,265
Land use rights	7	**107,484**	179,062
Intangible assets	8	**278,373**	309,670
Goodwill		**824,045**	1,233,053
Investment properties	9	**13,279,388**	13,204,011
Interests in joint ventures	10	**11,900,313**	13,315,357
Interests in associates	11	**2,754,129**	3,951,093
Financial assets at fair value through other comprehensive income	12	**478,459**	693,897
Financial assets at fair value through profit or loss	13	**2,646,508**	3,662,917
Trade and other receivables and prepayments	14	**6,675,150**	6,725,443
Deferred income tax assets		**2,222,406**	2,133,907
Total non-current assets		**45,451,226**	50,234,407
Current assets			
Properties under development		**38,303,715**	40,901,782
Inventories, at cost		**1,152,895**	1,152,367
Land development cost recoverable		**1,310,234**	1,295,282
Completed properties held for sale		**20,247,599**	25,098,776
Financial assets at fair value through profit or loss	13	**52,429**	53,277
Trade and other receivables and prepayments	14	**52,799,631**	57,775,129
Contract assets		**91,253**	65,674
Restricted bank deposits		**3,834,893**	2,922,791
Cash and cash equivalents		**1,996,240**	1,905,661
Total current assets		**119,788,889**	131,170,739

	Notes	**As at 30 June 2025 RMB'000**	As at 31 December 2024 RMB'000 (Restated)
Current liabilities			
Borrowings	17	**41,675,694**	65,935,047
Lease liabilities		**134,245**	140,186
Trade and other payables	18	**47,206,881**	50,875,469
Contract liabilities		**17,433,225**	14,263,642
Current tax payable		**12,339,278**	12,115,304
Derivative financial instruments	19	**570,788**	–
Provisions	20	**9,489,746**	5,028,329
Total current liabilities		**128,849,857**	148,357,977
Non-current liabilities			
Borrowings	17	**25,321,163**	32,437,489
Lease liabilities		**1,588,842**	1,626,530
Trade and other payables	18	**45,313**	47,762
Deferred income tax liabilities		**1,208,153**	1,397,545
Total non-current liabilities		**28,163,471**	35,509,326
Net assets/(liabilities)		**8,226,787**	(2,462,157)
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	**27,994,122**	27,329,232
Perpetual securities		**1,038,891**	–
Other reserves		**(3,690,155)**	(8,918,260)
Accumulated losses		**(21,225,739)**	(31,070,263)
		4,117,119	(12,659,291)
Non-controlling interests		**4,109,668**	10,197,134
Total equity		**8,226,787**	(2,462,157)

The notes on pages 54 to 94 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Non-controlling interests		
	Share capital RMB'000	Perpetual securities RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Perpetual subordinate guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2025 (Restated)	27,329,232	–	(8,918,260)	(31,070,263)	(12,659,291)	4,837,315	5,359,819	(2,462,157)
Profit for the period	–	–	–	10,202,141	10,202,141	114,644	(1,260,628)	9,056,157
Fair value change on financial assets at fair value through other comprehensive income, net of tax	–	–	25,888	–	25,888	–	–	25,888
Currency translation differences	–	–	505,968	–	505,968	(9,282)	–	496,686
Share of other comprehensive income of investments accounted for using the equity method	–	–	(27,421)	–	(27,421)	–	–	(27,421)
Total comprehensive income/(loss)	–	–	504,435	10,202,141	10,706,576	105,362	(1,260,628)	9,551,310
Transaction with owners of the Company								
Distribution relating to non-controlling interest	–	–	–	–	–	–	(452)	(452)
Total contributions by and distributions to owners of the Company	–	–	–	–	–	–	(452)	(452)
Disposal of financial assets measured at fair value through other comprehensive income	—	–	357,617	(357,617)	–	–	–	–
Issue of shares upon conversion of mandatory convertible bonds	664,890	–	–	–	664,890	–	–	664,890
Perpetual securities issued upon offshore debt restructuring	–	1,038,891	–	–	1,038,891	–	–	1,038,891
Cancellation of perpetual subordinated guaranteed capital securities upon offshore debt restructuring	–	–	4,440,418	–	4,440,418	(4,942,677)	–	(502,259)
Disposal of subsidiaries	–	–	–	–	–	–	(9,984)	(9,984)
Acquisition and disposal of partial interests in subsidiaries	–	–	(74,365)	–	(74,365)	–	20,913	(53,452)
Total transactions with owners of the Company	664,890	1,038,891	4,723,670	(357,617)	6,069,834	(4,942,677)	10,477	1,137,634
Balance at 30 June 2025	27,994,122	1,038,891	(3,690,155)	(21,225,739)	4,117,119	–	4,109,668	8,226,787

	Attributable to owners of the Company					Non-controlling interests		
	Share capital RMB'000	Perpetual securities RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Perpetual subordinate guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2024 (Restated)	27,329,232	–	(7,854,369)	(12,446,306)	7,028,557	4,570,097	6,613,533	18,212,187
Loss for the period	–	–	–	(5,381,705)	(5,381,705)	148,190	(156,881)	(5,390,396)
Fair value change on financial assets at fair value through other comprehensive income, net of tax	–	–	(43,829)	–	(43,829)	–	–	(43,829)
Currency translation differences	–	–	(161,330)	–	(161,330)	(21,390)	49,547	(133,173)
Share of other comprehensive income of investments accounted for using the equity method	–	–	(313,407)	–	(313,407)	–	–	(313,407)
Total comprehensive loss	–	–	(518,566)	(5,381,705)	(5,900,271)	126,800	(107,334)	(5,880,805)
Transaction with owners of the Company								
Distribution relating to non-controlling interest	–	–	–	–	–	–	(240,443)	(240,443)
Total contributions by and distributions to owners of the Company	–	–	–	–	–	–	(240,443)	(240,443)
A subsidiary becomes a joint venture	–	–	–	–	–	–	(546,350)	(546,350)
Acquisition and disposal of partial interests in subsidiaries	–	–	(125,025)	–	(125,025)	–	72,205	(52,820)
Total transactions with owners of the Company	–	–	(125,025)	–	(125,025)	–	(714,588)	(839,613)
Balance at 30 June 2024 (Restated)	27,329,232	–	(8,497,960)	(17,828,011)	1,003,261	4,696,897	5,791,611	11,491,769

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000 (Restated)
Profit/(loss) for the period	**9,056,157**	(5,390,396)
Adjustments in total	**(9,303,126)**	3,364,660
Loss after adjustments	**(246,969)**	(2,025,736)
Increase/(decrease) on receipts in advance of pre-sale proceeds directly from property purchaser	**3,169,583**	(4,211,182)
Others	**(748,978)**	6,914,320
Cash flows from operating activities		
Cash generated from operations	**2,173,636**	677,402
Interest paid	**(449,600)**	(493,167)
Income tax paid	**(124,298)**	(13,735)
Net cash generated from operating activities	**1,599,738**	170,500
Cash flows from investing activities		
Advances to associates and joint ventures	**(4,478,853)**	(5,660,735)
Capital injection to associates and joint ventures	**(50,065)**	(282,465)
Capital reduction of associates and joint ventures	**459,152**	–
Dividends received from joint ventures and associates	**584,918**	–
Repayment of advances to associates and joint ventures	**4,446,679**	5,867,994
Others	**(41,828)**	366,852
Net cash generated from investing activities	**920,003**	291,646
Cash flows from financing activities		
Proceeds from borrowings	**78,772**	725,744
Repayments of borrowings	**(2,428,669)**	(1,109,773)
Others	**(77,032)**	(360,558)
Net cash used in financing activities	**(2,426,929)**	(744,587)
Net increase/(decrease) in cash and cash equivalents	**92,812**	(282,441)
Cash and cash equivalents at the beginning of the period	**1,905,661**	1,988,738
Exchange differences on cash and cash equivalents	**(2,233)**	2,675
Cash and cash equivalents at end of the period	**1,996,240**	1,708,972

The notes on pages 54 to 94 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2025

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 in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong.

The interim condensed consolidated financial statements have not been audited and is presented in Renminbi ("RMB"), unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial statements were approved for issue on 28 August 2025 by the Board of directors of the Company (the "Board").

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this interim condensed consolidated financial statement should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated financial statements for the six months ended 30 June 2025 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 2024 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 for the year ended 31 December 2024 was disclaimed; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT (Continued)

2.1 Going concern assumption

Notwithstanding the Group recorded a profit of RMB9.06 billion for six months ended 30 June 2025, excluding the gain on offshore debt restructuring of RMB31.76 billion, the Group incurred a net loss of RMB22.70 billion and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB9.06 billion. As disclosed in Note 17, the Group had total borrowings of approximately RMB67.00 billion, of which the current borrowings amounted to approximately RMB41.68 billion, while the Group had cash and cash equivalents of approximately RMB2.00 billion only.

As at 30 June 2025, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB14.03 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.53 billion in aggregate according to their scheduled repayment dates. And due to the terms in the relevant borrowings' agreements, borrowings in principal amount totaling approximately RMB11.97 billion as at 30 June 2025 might be demanded for early repayment. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the creditors on adjusting the repayment schedules of these debts.

On 1 August 2025, the Group announced the commencement of a restructuring plan for its onshore bonds ("onshore debts restructuring plan"). The onshore debts restructuring plan comprises of (i) seven listed onshore bonds with aggregate carrying amount of approximately RMB13.07 billion as at 30 June 2025. To commence the restructuring plan, these listed bonds suspended trading with effect from 15 August 2025; and (ii) three other onshore bonds with aggregate carrying amount of approximately RMB5.00 billion as at 30 June 2025. As at the date of approval of the interim condensed consolidated financial statements, the onshore debts restructuring plan is still in progress.

In addition, the Group has been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provisions. Details are disclosed in Note 20.

In the current period, the real estate sector in the PRC remained volatile. The continued downturn in the property market, coupled with the weakening consumer sentiment in the PRC, gave rise to decline in property sales of and intensified liquidity pressures on the PRC property developers, including the Group.

The Group experienced a contraction in internal funds and encountered significant challenges in financing its construction projects due to restricted access to external financing. The current macroeconomic conditions and the uncertain timeline for recovery in the real estate sector have resulted in increased material uncertainties for the Group. These factors have made it increasingly difficult for the Group to generate operating cash inflows or to refinance guaranteed notes, corporate bonds, and bank and other borrowings.

All these events or conditions indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT (Continued)

2.1 Going concern assumption (Continued)

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2025 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

— The Group has been actively negotiating with bondholders on adjusting the principal and interest repayment arrangements or extending the repayment for its onshore bonds.

  On 1 August 2025, the Group announced the commencement of the onshore debts restructuring plan comprising onshore bonds with aggregate carrying amount of approximately RMB18.07 billion as at 30 June 2025. The onshore debts restructuring plan represents a significant step taken by the Group to address its financial obligations. The Group is actively negotiating and communicating with investors to reach a consensus on the risk resolution plan as soon as possible.

— On 27 March 2025, the offshore debt restructuring of the Group became effective. Under the offshore debt restructuring, the offshore creditors fully discharged the offshore debt restructuring in-scope existing debts and certain bank borrowings of the Group amounting to approximately USD6.38 billion in aggregate in exchange for the issue of the new loans and new notes (the "New Debts"), the new mandatory convertible bonds and/or new perpetual securities. Details of the offshore debt restructuring are set out in Note 17.

— The Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions.

— The Group will continue to seek to obtain additional new sources of financing through all possible channels such as assets disposal:

  On 11 April 2025, the Group entered into a disposal agreement with a third party, agreed to sell 23% equity interests in an associate at a total consideration of approximately RMB322 million. Pursuant to the disposal agreement, consideration of approximately RMB235 million was settled by offsetting the outstanding loan payable to a subsidiary of the associate while the remaining balance of RMB86.9 million was settled in cash in April 2025. The disposal had been completed during the period ended 30 June 2025.

— The Group has been proactive in seeking ways to resolve the outstanding litigations of the Group and continuing to communicate with the plaintiffs. The Group is positive that it can reach an amicable resolution on the litigations which have not yet reached a definite outcome.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT (Continued)

2.1 Going concern assumption (Continued)

— The Group will continue to maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

— The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Subject to the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;

— The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;

The directors of the Company have reviewed the cash flow forecast and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

— Successful negotiation with the bondholders for the onshore bonds and successful implementation of the onshore debt restructuring plan;

— Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;

— The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;

— The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and to successfully implement its business strategy and cost control measures so as to improve the Group's working capital and cash flow position.

The directors of the Company consider that, assuming the success of the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 30 June 2025. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT (Continued)

2.2 Prior year adjustment

Background

In June 2019 and December 2019, a wholly-owned subsidiary of the Company, Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (“Such Company”), entered into the perpetual bond investment contracts with Shaanxi International Trust Co., Ltd. (陝西省國際信託股份有限公司) (“Shaanxi International Trust”) and Kunlun Trust Co.,Ltd. (昆侖信託有限責任公司) (“Kunlun Trust”), respectively, pursuant to which the Group issued perpetual bonds (the “Perpetual Bonds”) to raise a total of approximately RMB2.359 billion, which was recognized as non-controlling interests in the Group’s financial statements in accordance with the investment contracts. Subsequently, Such Company entered into several supplementary agreements with Shaanxi International Trust in October 2023 and December 2023; and with Kunlun Trust in April 2023 and June 2023. In July 2024 and May 2025, Such Company received notice letters from Shaanxi International Trust requesting the termination of the relevant perpetual bond investment contracts and demanding payment of outstanding amounts. In September 2024, Such Company received an arbitration application submitted by Kunlun Trust to the Beijing Arbitration Commission, requesting repayment of outstanding amounts. In March 2025, the Beijing Arbitration Commission ordered Such Company to pay Kunlun Trust the principal, interest and related expenses associated with the Perpetual Bonds.

The self-inspection of the Company and its impact on the financial statements of the Group

Based on the current actual circumstances described above, in conjunction with the relevant provisions of legal documents, the management believed that the Perpetual Bonds imposed on the Group an inevitable contractual obligation to repay principal and pay interest, and therefore no longer meets the criteria for recognition as an equity instrument. Consequently, the management reclassified the Perpetual Bonds totaling approximately RMB2.679 billion as of 31 December 2024 (including the issuance amount of approximately RMB2.359 billion and interest of RMB320 million) from non-controlling interests to borrowings. Accordingly, the opening balances of 2025 and the comparative financial statements have been adjusted. The following table discloses the adjustments made by the Company to the items in the consolidated statement of profit or loss for the period ended 30 June 2024, and the consolidated statement of financial positions as of 1 January 2024 and 31 December 2024, to correct certain identified errors for prior periods:

	Effect on six months ended 30 June 2024 RMB’000
Increase in finance costs	(73,222)
Increase in loss before income tax	(73,222)
Increase in loss for the period	(73,222)
Increase in loss for the period attributable to non-controlling interests	(73,222)

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT (Continued)

2.2 Prior year adjustment (Continued)

The self-inspection of the Company and its impact on the financial statements of the Group (Continued)

	Effect on 31 December 2024 RMB'000
Increase in current borrowings	2,359,000
Increase in trade and other payables	320,159
Decrease in total equity	(2,679,159)
Decrease in equity attributable to non-controlling interests	(2,679,159)

	Effect on 1 January 2024 RMB'000
Increase in current borrowings	2,359,000
Increase in trade and other payables	220,796
Decrease in total equity	(2,579,796)
Decrease in equity attributable to non-controlling interests	(2,579,796)

As mentioned above, the restatement will result in the Group's loss for the period ended 30 June 2024, further increasing to RMB5.390 billion. This will have no impact on the basic loss per share or the diluted loss per share. The total equity as of the beginning of 2024 and the end of 2024 will be RMB18.212 billion and RMB-2.462 billion, respectively.

Save as above, the management confirms that the restatement will have no ongoing impact on the future consolidated financial statements of the Group.

3. ACCOUNTING POLICIES

Amended standards adopted by the Group

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of amendments to standards as set out below.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

These amendments had no effect and are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted any new or amended standards and interpretations that have been published but are not yet effective for the financial period beginning on 1 January 2025.

4. ESTIMATES

The preparation of the interim condensed consolidated financial statements require 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 interim condensed consolidated financial statements, significant judgements 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 Group's annual financial statements for the year ended 31 December 2024.

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 foreign exchange risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do 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 for the year ended 31 December 2024.

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

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the finance department of the Group. The finance department of the Group 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 statement of financial position ratio targets.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position 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 2025					
Borrowings	**46,031,463**	**13,529,339**	**7,554,944**	**13,910,771**	**81,026,517**
Lease liabilities	**227,347**	**209,448**	**607,533**	**1,313,935**	**2,358,263**
Trade and other payables excluding statutory liabilities	**42,698,839**	**4,700**	**40,613**	**–**	**42,744,152**
Provisions for financial guarantee provided to related parties and third parties	**8,481,045**	**–**	**–**	**–**	**8,481,045**
	97,438,694	**13,743,487**	**8,203,090**	**15,224,706**	**134,609,977**
At 31 December 2024 (Restated)					
Borrowings	70,306,885	14,673,401	14,308,218	6,577,802	105,866,306
Lease liabilities	264,621	234,469	653,929	1,592,593	2,745,612
Trade and other payables excluding statutory liabilities	46,504,182	4,700	43,062	–	46,551,944
Provisions for financial guarantee provided to related parties and third parties	3,776,047	–	–	–	3,776,047
	120,851,735	14,912,570	15,005,209	8,170,395	158,939,909

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 26(a)). 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 to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

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 at 30 June 2025 and 31 December 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2025				
Assets				
Financial assets at fair value through profit or loss (Note 13)	**5,435**	**92,700**	**2,600,802**	**2,698,937**
Financial assets at fair value through other comprehensive income (Note 12)	**51,059**	**–**	**427,400**	**478,459**
	56,494	**92,700**	**3,028,202**	**3,177,396**
Liabilities				
Derivative financial instruments (Note 19)	**–**	**–**	**570,788**	**570,788**
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss (Note 13)	6,281	80,566	3,629,347	3,716,194
Financial assets at fair value through other comprehensive income (Note 12)	26,329	–	667,568	693,897
	32,610	80,566	4,296,915	4,410,091
Liabilities				
Derivative financial instruments (Note 19)	–	–	–	–

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. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.4 Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2025 and 2024.

	Financial asset at fair value through other comprehensive income and through profit or loss 2025 RMB'000	**Derivative financial instruments 2025 RMB'000**	Financial asset at fair value through other comprehensive income and through profit or loss 2024 RMB'000	Derivative financial instruments 2024 RMB'000
Financial assets in Level 3				
Opening balance	**4,296,915**	**–**	5,901,147	–
Additions	**15,607**	**1,234,746**	–	–
Increase due to acquisition of a subsidiary	**390,853**	**–**	–	–
Fair value change	**(1,433,446)**	**–**	(274,411)	–
Conversion to share capital	**–**	**(664,890)**	–	–
Disposals	**(245,286)**	**–**	(72,442)	–
Currency translation differences	**3,559**	**932**	38,788	–
Closing balance	**3,028,202**	**570,788**	5,593,082	–

The finance department of the Group includes a team that performs the valuations of Level 3 financial instruments required for financial reporting purposes. The finance department of the Group 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 well as mandatory convertible bonds issued by the Company. 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, comparable transactions approaches and option pricing model. 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. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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 senior management and external valuers will be engaged.

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 analysed between the senior management and the team.

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
- 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 executive directors of the Company who make strategic decisions.

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

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

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of other gains/losses 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 executive directors of the Company, 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 share of profits/losses from interests in joint ventures and associates as well as fair value change from investment properties, corporate overheads, other losses-net, gains from offshore debt restructuring and impairment losses on assets classified as held for sale. Other information provided to the executive directors of the Company, except as noted below, is measured in a manner consistent with that in the financial statements.

6. SEGMENT INFORMATION (Continued)

Total segment assets exclude corporate cash and cash equivalents, interests 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 derivative financial instruments, all of which are managed on a central basis as well. These are part of the reconciliation to statement of financial position assets and liabilities.

The segment information provided to the executive directors of the Company for the reportable segments is as follows:

	Property Development									
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern Region RMB'000	Southern Region RMB'000	Central Region RMB'000	Western Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2025										
Total segment revenue	**993,113**	**593,428**	**129,815**	**650,459**	**718,597**	**216,755**	**148,914**	**1,385,781**	**1,916,277**	**6,753,139**
Inter-segment revenue	**(2,256)**	**(252)**	**(3,945)**	**–**	**–**	**–**	**(5,374)**	**(38,236)**	**(500,007)**	**(550,070)**
Revenue (from external customers)	**990,857**	**593,176**	**125,870**	**650,459**	**718,597**	**216,755**	**143,540**	**1,347,545**	**1,416,270**	**6,203,069**
Segment operating profit/(loss)	**(513,271)**	**(837,045)**	**(2,209,312)**	**(2,066,719)**	**(534,849)**	**(659,228)**	**121,340**	**(44,779)**	**(8,425,358)**	**(15,169,221)**
Depreciation and amortization	**(9,069)**	**(94)**	**(102)**	**(346)**	**(132)**	**(26)**	**(211)**	**(25,412)**	**(170,765)**	**(206,157)**
Six months ended 30 June 2024										
Total segment revenue	975,020	1,823,092	3,938,773	1,504,702	1,358,195	700,122	183,285	1,436,013	2,352,010	14,271,212
Inter-segment revenue	–	–	–	–	–	–	(1,978)	(74,537)	(881,246)	(957,761)
Revenue (from external customers)	975,020	1,823,092	3,938,773	1,504,702	1,358,195	700,122	181,307	1,361,476	1,470,764	13,313,451
Segment operating profit/(loss)	(223,666)	12,540	(22,822)	(126,771)	62,551	(134,834)	101,690	56,415	(255,523)	(530,420)
Depreciation and amortization	(9,055)	(137)	(735)	(523)	(1,044)	(505)	(1,268)	(19,275)	(147,311)	(179,853)

6. SEGMENT INFORMATION (Continued)

	Property Development									
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern Region RMB'000	Southern Region RMB'000	Central Region RMB'000	Western Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
As at 30 June 2025										
Total segment assets	**17,917,046**	**13,002,052**	**8,309,998**	**17,122,282**	**12,203,765**	**6,172,888**	**13,557,868**	**3,426,900**	**53,335,516**	**145,048,315**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**4,026**	**–**	**11**	**–**	**5**	**–**	**719,757**	**1,469**	**3,544**	**728,812**
Total segment liabilities	**7,921,604**	**10,700,806**	**6,036,567**	**13,231,693**	**5,257,605**	**3,740,989**	**898,560**	**1,843,430**	**38,606,276**	**88,237,530**
As at 31 December 2024 (Restated)										
Total segment assets	17,610,657	15,111,517	10,060,120	19,054,276	13,487,318	7,225,222	13,176,745	3,752,185	58,054,798	157,532,838
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,149	4,104	–	11,883	–	17	106,049	67,214	14,304	204,720
Total segment liabilities	7,431,003	11,263,040	6,094,619	10,931,467	6,166,325	3,902,851	796,670	1,801,798	35,709,449	84,097,222

A reconciliation of segment operating loss to profit/(loss) before income tax is provided as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000 (Restated)
Segment operating loss	**(15,169,221)**	(530,420)
Corporate finance income	**62**	56
Corporate overheads	**(66,672)**	(56,525)
Gains from offshore debt restructuring	**31,756,397**	–
Fair value change on investment properties (Note 9)	**(643,676)**	(292,770)
Other losses — net (Note 21)	**(3,326,486)**	(478,723)
Finance costs (Note 22)	**(2,064,729)**	(1,948,086)
Share of results of joint ventures	**(1,173,565)**	(751,265)
Share of results of associates	**(337,339)**	(55,983)
Impairment losses on assets classified as held for sale	**–**	(1,706,630)
Profit/(loss) before income tax	**8,974,771**	(5,820,346)

6. SEGMENT INFORMATION (Continued)

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

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Total segment assets	**145,048,315**	157,532,838
Corporate cash and cash equivalents	**137,556**	61,860
Interests in joint ventures (Note 10)	**11,900,313**	13,315,357
Interests in associates (Note 11)	**2,754,129**	3,951,093
Financial assets at fair value through other comprehensive income (Note 12)	**478,459**	693,897
Financial assets at fair value through profit or loss (Note 13)	**2,698,937**	3,716,194
Deferred income tax assets	**2,222,406**	2,133,907
Total assets per condensed consolidated statement of financial position	**165,240,115**	181,405,146
Total segment liabilities	**88,237,530**	84,097,222
Current borrowings (Note 17)	**41,675,694**	65,935,047
Non-current borrowings (Note 17)	**25,321,163**	32,437,489
Derivative financial instruments (Note 19)	**570,788**	–
Deferred income tax liabilities	**1,208,153**	1,397,545
Total liabilities per condensed consolidated statement of financial position	**157,013,328**	183,867,303

The Company was incorporated in Hong Kong, with its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the six months ended 30 June 2025 and 2024.

As at 30 June 2025, total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC, Hong Kong and the United States amounted to approximately RMB33,392,190,000, RMB720,000 and RMB35,793,000 (31 December 2024: RMB36,981,430,000, RMB872,000 and RMB35,941,000), respectively. For the six months ended 30 June 2025 and 2024, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales.

7. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

	Property, plant and equipment RMB'000	Land use rights RMB'000
Opening net book amount as at 1 January 2025	**3,324,732**	**179,062**
Additions	**34,279**	**–**
Acquisition of subsidiaries	**796**	**–**
Transfer to completed properties held for sale	**(84,942)**	**–**
Depreciation	**(92,409)**	**(5,087)**
Disposals	**(2,078)**	**–**
Disposals of subsidiaries	**(763)**	**(66,491)**
Provision for impairment	**(324,594)**	**–**
Closing net book amount as at 30 June 2025	**2,855,021**	**107,484**
Opening net book amount as at 1 January 2024	3,492,480	212,009
Additions	74,768	–
Acquisition of subsidiaries	479	–
Depreciation	(68,928)	(5,841)
Disposals	(45,397)	(20,747)
Disposals of subsidiaries	(75)	–
Closing net book amount as at 30 June 2024	3,453,327	185,421

(a) Property, plant and equipment and land use rights pledged as collateral

As at 30 June 2025 and 31 December 2024, property, plant and equipment of the Group with carrying amount of approximately RMB2,105,121,000 and RMB1,022,975,000, respectively, were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

As at 30 June 2025 and 31 December 2024, the land use rights of the Group with carrying amount of approximately RMB52,211,000 and RMB61,789,000 were pledged as collateral for the Group's borrowings.

8. INTANGIBLE ASSETS

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Opening net book amount at beginning of the period	**309,670**	400,164
Additions	**652**	–
Amortization	**(31,949)**	(21,315)
Closing net book amount at end of the period	**278,373**	378,849

9. INVESTMENT PROPERTIES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening net book amount at beginning of the period	**13,204,011**	15,857,341
Additions	**107,910**	139
A subsidiary becomes a joint venture	**–**	(2,044,000)
Transfer from completed properties held for sales	**611,292**	–
Currency translation differences	**(149)**	413
Fair value change recognised in profit or loss	**(643,676)**	(292,770)
Closing net book amount at end of the period	**13,279,388**	13,521,123

(a) Valuation techniques

Fair values of completed properties in Beijing, Tianjin and Shuyang 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 valuers' 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 properties in Shenzhen, Wuhan and the United States is derived using the comparative method.

Fair values of completed properties in Ganzhou is derived using the cost method.

Fair values of investment properties under development in Beijing are generally derived using the hypothetical development method and cost method.

There were no changes to the valuation techniques during the period, except for completed properties situated in Ganzhou changed its valuation technique from income capitalization method to cost method due to changes in market conditions, and there were no transfers between fair value hierarchy during the period.

(b) Investment properties pledged as collateral

As at 30 June 2025 and 31 December 2024, investment properties of the Group with carrying amount of approximately RMB12,843,237,000 and RMB12,806,515,000, respectively, which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

10. INTERESTS IN JOINT VENTURES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At beginning of the period	**13,315,357**	18,679,921
Capital injection	**–**	282,465
Capital reduction	**(35,375)**	–
Dividend	**(536,600)**	–
Disposals	**(35,616)**	–
Increase due to acquisitions	**421,907**	–
A subsidiary becomes a joint venture	**–**	1,406,067
Transfer to assets classified as held for sale	**–**	(5,397,802)
Share of results and other comprehensive income of joint ventures		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the joint ventures	**(1,204,584)**	(936,629)
Currency translation differences	**(24,776)**	7,989
At end of the period	**11,900,313**	14,042,011

(a) Restricted non-current assets

As at 30 June 2025 and 31 December 2024, interests in joint ventures with carrying amount of approximately RMB6,837,273,000 and RMB5,219,933,000, respectively, which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

11. INTERESTS IN ASSOCIATES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At beginning of the period	**3,951,093**	3,915,886
Capital injection	**50,065**	–
Capital reduction	**(423,777)**	–
Dividend	**(48,318)**	–
Disposals	**(409,782)**	–
Share of results and other comprehensive income of associates		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the associates	**(349,107)**	(235,946)
Currency translation differences	**(16,045)**	14,032
At end of the period	**2,754,129**	3,693,972

(a) Restricted non-current assets

As at 30 June 2025 and 31 December 2024, interests in associate with carrying amount of approximately RMB1,096,606,000 and RMB1,137,498,000, respectively, which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Listed securities (a)	**51,059**	26,329
Unlisted securities	**427,400**	667,568
	478,459	693,897
Less: Non-current portion	**(478,459)**	(693,897)
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 valve through other comprehensive income pledged as collateral

As at 30 June 2025 and 31 December 2024, financial assets at fair value through other comprehensive income with fair value of approximately RMB97,934,000 and RMBNil, which were pledged as collateral for the Group's borrowings.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortized cost or fair value through other comprehensive income,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value change through other comprehensive income.

Financial assets mandatorily measured at fair value through profit or loss include the following:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Investment in fund and bond investments	**2,464,569**	3,118,436
Investment in other unlisted equity securities	**57,369**	328,220
Investment in listed equity securities	**5**	543
Derivative financial instruments	**176,994**	268,995
	2,698,937	3,716,194
Less: Non-current portion	**(2,646,508)**	(3,662,917)
Current portion	**52,429**	53,277

(ii) Financial assets at fair value through profit or loss pledged as collateral

As at 30 June 2025 and 31 December 2024, financial assets at fair value through profit or loss with fair value of approximately RMB1,278,797,000 and RMB377,332,000, which were pledged as collateral for the Group's borrowings.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables (a)	**4,136,805**	4,443,710
Other receivables and prepayments (b)	**55,337,976**	60,056,862
	59,474,781	64,500,572
Less: non-current portion	**(6,675,150)**	(6,725,443)
Current portion	**52,799,631**	57,775,129

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade receivables

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables	**5,514,467**	5,435,317
Less: provision for impairment of trade receivables	**(1,377,662)**	(991,607)
	4,136,805	4,443,710
Less: non-current portion	**–**	–
Current portion	**4,136,805**	4,443,710

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement, and the credit term is very short. An ageing analysis of gross trade receivables mainly based on invoice or bills issuance date at the respective statement of financial position dates is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 6 months	**1,459,305**	2,415,321
Between 6 months to 1 year	**2,422,555**	1,303,311
Between 1 year to 2 years	**453,782**	775,069
Between 2 years to 3 years	**611,492**	566,693
Over 3 years	**567,333**	374,923
	5,514,467	5,435,317

As at 30 June 2025, trade receivables with carrying amount of approximately RMB316,407,000 (31 December 2024: RMB349,192,000) were pledged as collateral for the Group's borrowings.

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

	Six months ended 30 June 2025 RMB'000	Year ended 31 December 2024 RMB'000
Opening amount at beginning of the period/year	**(991,607)**	(779,951)
Provision for receivable impairment	**(386,055)**	(233,028)
Derecognition from disposal of subsidiaries	**–**	21,372
Closing amount at end of the period/year	**(1,377,662)**	(991,607)

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Entrusted loans due from joint ventures (i)	**2,574,765**	2,409,175
Entrusted loans due from associates (ii)	**24,510**	24,510
Entrusted loans due from third parties (iii)	**2,602,800**	1,930,956
Amounts due from joint ventures (v)	**25,124,262**	25,131,600
Amounts due from non-controlling interests (iv)	**5,000,044**	5,132,363
Amounts due from associates (v)	**10,311,607**	10,355,241
Amounts due from third parties (iii)	**11,335,753**	16,313,490
	56,973,741	61,297,335
Less: provision for impairment	**(19,793,420)**	(19,884,454)
	37,180,321	41,412,881
Receivables from government (vi)	**655,733**	670,058
Payment for the cooperation of potential properties development projects (vii)	**1,447,812**	1,447,812
Receivables from disposal of interest in subsidiaries (ix)	**3,146,998**	3,073,062
Receivables from disposal of interest in a joint venture	**27,137**	337,706
Other receivables	**3,685,005**	3,061,067
	8,962,685	8,589,705
Less: provision for impairment	**(2,037,401)**	(1,253,493)
	6,925,284	7,336,212
Tax prepayments	**6,303,315**	5,918,217
Other prepayments (viii)	**4,929,056**	5,389,552
	11,232,371	11,307,769
Total other receivables and prepayments	**55,337,976**	60,056,862
Less: non-current portion	**(6,675,150)**	(6,725,443)
Current portion	**48,662,826**	53,331,419

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

(i) Entrusted loans due from joint ventures are unsecured, interest bearing from 2% to 15% (31 December 2024: from 2% to 12%) per annum. Balances of approximately RMB2,483,871,000 (31 December 2024: RMB2,350,583,000) are repayable within one year. The remaining balances of approximately RMB90,894,000 (31 December 2024: RMB58,592,000) are repayable after one year and included in the non-current portion.

As at 30 June 2025 and 31 December 2024, entrusted loans due from joint ventures of the Group with carrying amount of approximately RMB123,927,000 and RMBNil, respectively, which were pledged for the Group's borrowings.

(ii) Entrusted loans due from associates are unsecured, interest bearing 7% (31 December 2024: 7%) per annum. Balances of approximately RMB24,510,000 (31 December 2024: RMB24,510,000) are repayable after one year and hence included in the non-current portion.

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

Entrusted loans due from third parties with balance of approximately RMB850,173,000 (31 December 2024: RMB745,013,000) are secured, interest bearing at 4% (2024: 4%) per annum. Unsecured entrusted loans bear interest from 4% to 16% (31 December 2024: from 4% to 10%) per annum.

Amounts due from a third party with balances of approximately RMBNil (31 December 2024: RMB5,230,936,000) are secured, interest free and repayable on demand. The remaining amounts due from third parties are unsecured, interest free, and repayable on demand.

As at 30 June 2025 and 31 December 2024, entrusted loans due from third parties with carrying amount of approximately RMB671,120,000 and RMBNil, respectively, which were pledged for the Group's borrowings.

As at 30 June 2025 and 31 December 2024, amounts due from third parties with carrying amount of approximately RMB2,627,987,000 and RMB3,200,232,000, respectively, which were pledged for the Group's borrowings.

(iv) Amounts due from non-controlling interests are unsecured and interest free. Balances of approximately RMB5,000,044,000 (31 December 2024: RMB5,132,363,000) are repayable within one year.

(v) Amounts due from joint ventures and associates are unsecured and interest free.

As at 30 June 2025, amounts due from joint ventures and associates of the Group with carrying amounts of approximately RMB2,959,151,000 (31 December 2024: RMB2,090,178,000) and RMB1,242,889,000 (31 December 2024: RMB1,253,226,000) were pledged for the Group's borrowings, respectively.

(vi) Receivables from government mainly represent payments made for land development cost, deposits paid to government in the activities of land purchasing, and funds to government for cooperation intention in real estate project development, which will be subsequently reimbursed by the government.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

(vii) Amounts mainly represent the payment for cooperation of potential properties development projects. As at 30 June 2025, such cooperation is still in negotiation stage. Balances of approximately RMB150,000,000 (31 December 2024: RMB150,000,000) are unsecured, interest bearing 8.8% (2024: 8.8%) per annum. The remaining balances of approximately RMB1,297,812,000 (31 December 2024: RMB1,297,812,000) are unsecured and interest free. Balances of approximately RMB1,447,812,000 (31 December 2024: RMB1,447,812,000) are repayable on demand.

(viii) As at 30 June 2025, included in prepayments of approximately RMB2,255,835,000 (31 December 2024: RMB2,203,190,000) represented an amount paid for redevelopment project of certain land parcels in the PRC designated to a subsidiary of the Company by the local PRC government. The demolition work of redevelopment project has been completed.

(ix) As at 30 June 2025 and 31 December 2024, receivables from disposal of interest in subsidiaries of the Group with carrying amount of approximately RMB2,997,622,000 and RMBNil, respectively, which were pledged for the Group's borrowings.

The maximum exposure to credit risk at the reporting date is the carrying amount 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 2025 and 31 December 2024.

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

	Six months ended 30 June 2025 RMB'000	Year ended 31 December 2024 RMB'000
Opening amount at beginning of the period/year	**(21,137,947)**	(17,449,608)
Provision for receivable impairment	**(4,633,935)**	(3,689,510)
Write-off	**–**	886
Derecognition from disposal of subsidiaries	**–**	285
Eliminated on acquisition of subsidiaries	**3,941,061**	–
Closing amount at end of the period/year	**(21,830,821)**	(21,137,947)

15. SHARE CAPITAL

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:				
Opening balance 1 January 2025	**7,616,095,657**	**30,413,634**	**27,329,232**	**27,329,232**
Issue of share upon conversion of mandatory convertible bonds	**3,468,531,088**	**802,181**	**664,890**	**664,890**
At 30 June 2025	**11,084,626,745**	**31,215,815**	**27,994,122**	**27,994,122**

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:				
Opening balance 1 January 2024	7,616,095,657	30,413,634	27,329,232	27,329,232
At 30 June 2024	7,616,095,657	30,413,634	27,329,232	27,329,232

16. 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 redeemable only at the issuer's discretion, with initial aggregate principal amount of approximately USD600,000,000.

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.900% till 21 September 2023, and then at a fixed rate per annum equal to the sum of (i) the then-prevailing U.S. Treasury rate and (ii) the spread till 21 September 2027. Such capital securities are guaranteed by the Company.

As disclosed in Note 2.1, the Group's offshore restructuring plan was implemented and effective on 27 March 2025, and accordingly, the aforementioned capital securities were derecognised. In conjunction with the offshore debt restructuring, the Company issued new perpetual securities on the same date, which are redeemable only at the issuer's discretion, with an initial aggregate principal amount of approximately USD1.21 billion.

17. BORROWINGS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Non-current	**25,321,163**	32,437,489
Current	**41,675,694**	65,935,047
	66,996,857	98,372,536

Movements in borrowings are analysed as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000 (Restated)
At beginning of the period (Restated)	**98,372,536**	98,502,322
New bank loans raised	**78,772**	89,254
Other loans raised (c)	**–**	636,490
Acquisition of subsidiaries	**601,800**	140,070
Repayment of bank loans	**(921,289)**	(1,016,519)
Repayment of other loans	**(1,507,380)**	(93,254)
Disposal of subsidiaries	**(379,000)**	–
Increase due to a subsidiary becomes a joint venture	**–**	520,432
Changes of carrying value of corporate bonds, notes and bank loans	**394,603**	75,570
Transfer to other payables	**–**	(80,041)
Transfer from other payables	**117,983**	–
Offshore debt restructuring — derecognition of original debts (a)	**(36,612,241)**	–
Offshore debt restructuring — recognition of new debts (a)	**7,031,190**	–
Currency translation differences	**(180,117)**	253,296
At end of the period	**66,996,857**	99,027,620

17. BORROWINGS (Continued)

(a) Offshore debt restructuring

Effective on 27 March 2025, the offshore creditors fully discharged all of the offshore debt restructuring in-scope existing debts and certain bank borrowings of the Group amounting to approximately USD6.38 billion in exchange for the issue of the new loans and new notes (the "New Debts"), the new mandatory convertible bonds and/or new perpetual securities.

The following table summarises the key terms of the Mandatory Convertible Bonds, the New Debts and New Perpetual Securities.

Description	Principal amount in USD	Key conversion features	Coupon interest rate	Maturity date
Mandatory convertible bonds ("MCB")	Total 2,927,460,067	Upfront Conversion Period: commenced on the Restructuring Effective Date, being 27 March 2025, and will end on 17 April 2025. Special Conversion: (a) the last business day within the calendar month in which the Special Conversion Notice is delivered with respect to a MCB if such Special Conversion Notice is delivered no later than the 10th business day before the end of such calendar month (the calendar month in which the Special Conversion Notice is delivered by a bondholder, the "Relevant Month"); or (b). the last business day in the calendar month immediately following the Relevant Month, if the Special Conversion Notice is delivered with respect to a MCB after the 10th business day before the end of the calendar month.	Not applicable	27 March 2027
— Class A	883,520,387	3.1 times of 90-Trading Day-VWAP (subject to a minimum MCB Conversion Price of HK$1.55 per Share, subject to adjustments)	Not applicable	27 March 2027
— Class B	1,150,435,234	11.5 times of 90-Trading Day-VWAP (subject to a minimum MCB Conversion Price of HK$5.74 per Share, subject to adjustments)	Not applicable	27 March 2027
— Class C	445,588,983	34.5 times of 90-Trading Day-VWAP (subject to a minimum MCB Conversion Price of HK$17.26 per Share, subject to adjustments)	Not applicable	27 March 2027
— Class D	447,915,463	22.7 times of 90-Trading Day-VWAP (subject to a minimum MCB Conversion Price of HK$11.36 per Share, subject to adjustments)	Not applicable	27 March 2027
New Loans and New Notes ("New Debts")	2,247,709,059	Not applicable	3.00% per annum	27 March 2033
New perpetual securities	1,209,405,190	Not applicable	Starting at 1%, increasing by 1% every 36 months, with a maximum distribution rate of 5.00% per annum.	Not applicable

17. BORROWINGS (Continued)

(a) Offshore debt restructuring (Continued)

Notes:

The New Debts will bear interest from and including the original issue date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually, entirely in cash, in arrears, at the rate of 3% per annum, provided that, (i) with respect to any interest payable in respect of the first 48 months after the restructuring effective date, the Company will have the right to defer payment of (A) such interest on each portion of the principal amount of the New Loan to the corresponding amortization payment date of such portion of the principal amount and (B) such interest on each tranche of the New Notes to their respective corresponding maturity date, and (ii) any interest so deferred will not carry any interest, provided further that (a) in respect of the interest periods from the 25th month to the 36th month after the restructuring effective date, interest of at least 0.25% of outstanding principal amount of the New Debts shall be paid, and (b) in respect of the interest periods from the 37th month to the 48th month after the restructuring effective date, interest of at least 1.5% of outstanding principal amount of the New Debts shall be paid.

The offshore debt restructuring was considered a significant modification under the relevant accounting standards. Consequently, the existing debt of approximately USD6.38 billion was fully derecognized. The following new debt instruments were recognized at their fair values on 27 March 2025, the effective date of the offshore debt restructuring:

(1) USD2.25 billion new loan and new notes — fair values of debt component amounting to USD287.12 million and USD691.26 million, respectively;

(2) USD2.93 billion mandatory convertible bonds of Class A to D — fair value of derivative component amounting to USD172.06 million;

(3) USD1.21 billion New Perpetual Securities— fair value of equity component amounting to USD144.77 million.

17. BORROWINGS (Continued)

The fair values of these instruments recognised were within level 3 of fair value hierarchy.

Description	Fair value at the date of the modification USD	Valuation method	Significant unobservable inputs	Range of significant unobservable inputs
New loans	287,118,264	Discounted cash flow method under income approach	Discount rate	Range from 16.66% to 17.09%
New notes	691,262,459			
Mandatory convertible bonds				
— Class A	119,616,368	Binomial option pricing model	Expected volatility	59.08%
— Class B	42,544,757			
— Class C	5,485,934		Discount rate	16.76%
— Class D	4,411,765			
New perpetual securities	144,767,003	Discount cash flows method and Binomial model	Discount rate	Range from 19.29% to 19.74%

Relationships of unobservable inputs to fair value are as follows:

- The higher rate of discount rate, the lower fair value;
- The higher rate of expected volatility, the lower fair value.

The Directors considered that the fair values of the extension options exercisable by the Company in respect of certain interest payments of the new debts and new notes were insignificant to the Group and had not been recognised.

As a result of the abovementioned, net gain on offshore debt restructuring of approximately RMB31.76 billion was recognised in the interim condensed consolidated profit or loss and increases in other reserves of approximately RMB4.44 billion attributable to owners of the Group were recognised in the interim condensed consolidated statement of changes in equity for the six months ended 30 June 2025.

Subsequent to the initial recognition, the carrying amounts of the debt component of the new loans and new notes are measured at amortised cost; and the carrying amounts of the derivative components of the mandatory convertible bonds are measured at fair values. New perpetual securities classified as equity are not subject to subsequent remeasurement, any interest payments are recorded as a distribution of equity.

17. BORROWINGS (Continued)

(b) As at 30 June 2025 and 31 December 2024, bank borrowings amounted to approximately RMB24,730,080,000 and RMB23,308,994,000, respectively, which were secured by the pledge of investment properties, property, plant and equipment, land use rights, properties under development, completed properties held for sale, trade and other receivables and equity interest in certain subsidiaries.

As at 30 June 2025 and 31 December 2024, borrowings from trust companies amounted to approximately RMB4,190,798,000 and RMB3,425,406,000, respectively, which were secured by the pledge of interests in a joint venture, properties under development and completed properties held for sale. The equity of certain subsidiaries was also pledged.

As at 30 June 2025 and 31 December 2024, the asset-backed securitization amounted to approximately RMB4,109,000,000 and RMB4,109,000,000, respectively, which secured by the pledge of property, plant and equipment, land use rights and investment properties and trade receivables of the Group.

As at 30 June 2025 and 31 December 2024, borrowings from non-controlling interests amounted to approximately RMB662,248,000 and RMB662,248,000, respectively, which were secured by the pledge of property under development.

As at 30 June 2025 and 31 December 2024, borrowings from associates and joint ventures amounted to approximately RMB2,637,000,000 and RMB2,637,000,000, respectively, which were secured by the pledge of the equity interest in a joint venture.

As at 30 June 2025 and 31 December 2024, borrowings from third parties amounted to approximately RMB4,119,900,000 and RMB4,989,317,000, respectively, which were secured by the pledge of investment properties, property, plant and equipment, financial assets, properties under development, completed properties held for sale, trade and other receivables and equity interest in certain subsidiaries and an associate.

(c) During the six months ended 30 June 2025, other loans amounting to approximately RMB Nil are raised from third parties. During the six months ended 30 June 2024, other loans amounting to approximately RMB636,490,000 are raised from third parties. Such loans bear interest at rates ranging from 3.45% to 10.0% per annum.

(d) Interest expense on borrowings for the six months ended 30 June 2025 amounted to approximately RMB2,716,194,000 (Six months ended 30 June 2024: RMB2,753,879,000 (Restated)).

18. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Trade payables (a)	**11,578,474**	13,340,695
Accrued expenses	**6,333,044**	7,542,128
Amounts due to joint ventures (b)	**8,596,449**	7,950,594
Amounts due to associates (b)	**715,047**	1,009,299
Amounts due to non-controlling interests (b)	**961,659**	926,122
Amounts due to government	**499,512**	504,528
Other taxes payable	**4,251,019**	4,046,311
Deposits received	**1,598,297**	1,617,461
Other payables	**12,718,693**	13,986,093
	47,252,194	50,923,231
Less: non-current portion	**(45,313)**	(47,762)
Current portion	**47,206,881**	50,875,469

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

(a) An ageing analysis of the trade payables (including amounts due to related parties of trading in nature) mainly based on the date of invoice is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 6 months	**2,311,148**	4,581,262
Between 6 months to 1 year	**2,192,924**	899,873
Between 1 year to 2 years	**866,314**	2,542,196
Between 2 years to 3 years	**2,333,326**	2,501,237
Over 3 years	**3,874,762**	2,816,127
	11,578,474	13,340,695

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Financial liabilities		
Derivative component of the mandatory convertible bonds (i)	**570,788**	–
Less: non-current portion	**–**	–
Current portion	**570,788**	–

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The change of fair value is recognised immediately in consolidated profit or loss. For information about the methods and assumptions used in determining the fair value of derivatives on initial recognition, refer to Note 17(a) to the interim condensed consolidated financial statements. The movement on the derivative financial instruments refer to Note 5.4 to the interim condensed consolidated financial statements.

(i) The Company issued mandatory convertible bonds to the offshore debt restructuring effective on 27 March 2025 and the mandatory convertible bonds was recognised as derivative financial instruments at the effective date.

20. PROVISIONS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Provisions for litigations (i)	**1,008,701**	1,252,282
Provisions for financial guarantee provided to related parties and third parties	**8,481,045**	3,776,047
	9,489,746	5,028,329
Less: non-current portion	**–**	–
Current portion	**9,489,746**	5,028,329

The movement on the provisions account is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
At the beginning of the period/year	**5,028,329**	620,872
Addition — provisions for litigation	**422,183**	631,410
— provisions for financial guarantee provided to related parties and third parties	**4,704,998**	3,776,047
Transfer to other payables	**(665,764)**	–
At the end of the period/year	**9,489,746**	5,028,329

20. PROVISIONS (Continued)

(i) Up to the date of this report, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables and other matters. The Directors have assessed the impact of the above litigation matters on the interim condensed consolidated financial statements for the period ended 30 June 2025 and provision for litigations amounted to approximately RMB1.01 billion was recognised. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations. The Directors consider that such litigations, individually or jointly, will not have significant adverse effects on the operating performance, cash flow and financial condition of the Group at the current stage.

21. OTHER LOSSES — NET

	Six months ended 30 June	
	2025 **RMB'000**	2024 RMB'000
Fair value change of financial assets and financial liabilities at fair value through profit or loss	**(1,422,241)**	(238,463)
Exchange losses	**(363,368)**	(56,491)
Payment for the settlement of contracted obligations	**(48,240)**	(37,783)
Gains on disposal of property, plant and equipment	**356**	–
Gains/(losses) on disposal of interests in subsidiaries	**13,567**	(135,171)
Losses on disposal of joint ventures and associates	**(183,997)**	(10,727)
(Losses)/gains on deemed disposal of joint ventures and associates, net	**(163,221)**	4,189
Provision for litigation	**(422,183)**	–
Impairment loss on property, plant and equipment (Note 7)	**(324,594)**	–
Impairment loss on goodwill	**(409,008)**	–
Other losses	**(3,557)**	(4,277)
	(3,326,486)	(478,723)

22. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Interest expense:		
— Bank borrowings	**1,250,425**	1,081,799
— Other borrowings	**1,465,769**	1,672,080
— Lease liabilities	**48,469**	59,574
	2,764,663	2,813,453
Less: interest capitalized at a capitalization rate of 5.84% (2024: 5.60% (Restated)) per annum	**(699,934)**	(865,367)
	2,064,729	1,948,086

23. INCOME TAX CREDIT

Majority of the Group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for six months ended 30 June 2025 and 2024. Other Group entities are mainly subject to Hong Kong profits tax.

The amount of income tax credit charged to the statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax:		
— PRC enterprise income tax	**116,121**	403,404
— PRC land appreciation tax	**80,572**	(646,028)
Deferred income tax	**(278,079)**	(187,326)
	(81,386)	(429,950)

24. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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.

	Six months ended 30 June	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RMB'000)	**10,202,141**	(5,381,705)
Distributions related to perpetual securities (RMB'000)	**(22,827)**	–
Profit/(Loss) used to determine basic earnings per share (RMB'000)	**10,179,314**	(5,381,705)
Weighted average number of ordinary shares in issue (thousands)	**8,689,431**	7,616,096
Basic earnings/(loss) per share (RMB per share)	**1.171**	(0.707)

(b) Diluted

Diluted earnings/(loss) 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: employee share options and mandatory convertible bonds (30 June 2024: one category of dilutive potential ordinary shares: employee share options). 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 period) based on the monetary value of the subscription rights attached to outstanding share options and awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the conversion of mandatory convertible bonds, the exercise of the share options and vesting of awarded shares.

	Six months ended 30 June	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RMB'000)	**10,202,141**	(5,381,705)
Distributions related to perpetual securities (RMB'000)	**(22,827)**	–
Profit/(Loss) used to determine diluted earnings/(loss) per share (RMB'000)	**10,179,314**	(5,381,705)
Weighted average number of ordinary shares in issue (thousands)	**8,689,431**	7,616,096
Weighted average number of ordinary shares for diluted earnings/(loss) per share (thousands)	**11,082,194**	7,616,096
Diluted earnings/(loss) per share (RMB per share)	**0.919**	(0.707)

25. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2025 and 2024.

26. FINANCIAL GUARANTEES

(a) The Group had the following financial guarantees as 30 June 2025 and 31 December 2024:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers	**11,711,393**	12,716,015

As at 30 June 2025 and 31 December 2024, 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.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

(b) As at 30 June 2025, the Group provided guarantees amounted to approximately RMB68,407,493,000 (31 December 2024: RMB68,970,402,000) for borrowings of related parties and third parties. Properties under development and other assets owned by these parties are the primary collateral of such borrowings.

27. COMMITMENTS

(a) Capital commitments

Capital commitments at the statement of financial position date but not yet incurred are as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Properties under development	**6,869,306**	6,877,930
Commitment of investments	**4,300,303**	2,949,310
Contracted but not provided for	**11,169,609**	9,827,240

(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 2025 RMB'000	As at 31 December 2024 RMB'000
Within 1 year	**136,198**	156,970
Between 1 to 5 years	**76,282**	165,434
Over 5 years	**344**	1,344
	212,824	323,748

28. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere, the following is a summary of material 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 2025 and 2024:

(a) Provision of services

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Provision of services to:		
— A shareholder	**274**	1,255
— Joint ventures	**566,084**	497,938
— Associates	**65,348**	23,363
	631,706	522,556

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

(b) Purchase of services from

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Purchase of services from:		
— A shareholder	**1,947**	1
— Joint ventures	**345,295**	349,696
— Associates	**28,859**	170
	376,101	349,867

28. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**17,087**	18,020
Post-employment benefits	**919**	928
Other welfare	**33**	–
	18,039	18,948

(d) Interest income

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
— Joint ventures	**163,411**	170,280
— Associates	**863**	868
	164,274	171,148

(e) Interest expense

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
— Joint ventures	**93,619**	118,591
— Associates	**4,229**	6,414
	97,848	125,005

28. RELATED PARTY TRANSACTIONS (Continued)

(f) Entrusted loans due from related parties

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
— Joint ventures (Note14(b))	**2,574,765**	2,409,175
— Associates (Note 14(b))	**24,510**	24,510
	2,599,275	2,433,685

(g) Amounts due from related parties

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
— Joint ventures (Note14(b))	**25,124,262**	25,131,600
— Associates (Note 14(b))	**10,311,607**	10,355,241
	35,435,869	35,486,841

(h) Borrowing from related parties

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
— Joint ventures	**3,844,943**	3,845,421
— Associates	**–**	235,384
	3,844,943	4,080,805

28. RELATED PARTY TRANSACTIONS (Continued)

(i) Amounts due to related parties

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
— Joint ventures (Note 18)	**8,596,449**	7,950,594
— Associates (Note 18)	**715,047**	1,009,299
	9,311,496	8,959,893

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

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Fair value of investment in limited partners' share issued by an associate	**1,545,121**	1,460,246

(k) Investment in capital instrument issued by associates

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Fair value of interests in capital instrument issued by associates	**427,400**	428,163

28. RELATED PARTY TRANSACTIONS (Continued)

(l) Balances arising from sales and purchases of properties and services:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables from related parties:		
— A shareholder	**821**	1,181
— Joint ventures	**1,799,884**	2,092,384
— Associates	**242,307**	334,495
	2,043,012	2,428,060
Advance to related parties:		
— A shareholder	**1,322**	1,095
— Joint ventures	**284,852**	319,581
— Associates	**105,246**	101,020
	391,420	421,696
Trade payables due to related parties:		
— A shareholder	**72**	23
— A joint venture	**543,766**	649,568
— An associate	**18,964**	19,166
	562,802	668,757

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as the events disclosed under the "Note 2.1 Going concern assumption" and the event mentioned below, there was no other significant subsequent event affecting the Group after the six-month period ended 30 June 2025 and up to the date of issuance of the interim condensed consolidated financial statements.

On 16 July 2025, the Company and Sino-Ocean Service entered into a framework agreement, which agreed to return 2,684 parking spaces located in the PRC (at consideration of RMB323.2 million) to the Group. The transfer by the Group to Sino-Ocean Service Group, pursuant to the Original Assets Transfer Framework Agreements will be canceled, and the amount will be reverted and settled via a long-term loan to be granted by Sino-Ocean Service or its designated wholly-owned subsidiary to a wholly-owned subsidiary of the Group, with the Company acting as guarantor. This transaction is an internal restructuring, effectively increasing the Group's ownership of the assets from 63.82% to 100%, resulting in a net acquisition of a 36.18% interest. Details of the transaction are disclosed in the announcement of the Company dated 16 July 2025.

GLOSSARY

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

"2018 Option Scheme"	the share option scheme approved and adopted by the shareholders of the Company on 6 August 2018
"Audit Committee"	the audit committee of the Company
"BDO"	BDO Limited
"Board"	the board of directors of the Company
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China
"China Life Group"	China Life Insurance (Group) Company (中國人壽保險(集團)公司), a company established under the laws of the PRC, being the controlling shareholder of China Life Insurance, which in turn is a substantial shareholder of the Company
"China Life Insurance"	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Stock Exchange (Stock Code: 02628.HK) and the Shanghai Stock Exchange (Stock Code: 601628.SE) respectively, being a substantial shareholder of the Company
"Code of Conduct"	the code of conduct regarding Director's securities transactions adopted by the Company
"Company" or "Sino-Ocean Group"	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377.HK)
"Company Secretary"	the company secretary of the Company
"Dajia Insurance Group"	Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司), a company established under the laws of the PRC, being the controlling shareholder of Dajia Life Insurance, which in turn is a substantial shareholder of the Company
"Dajia Life Insurance"	Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), a company established under the laws of the PRC, being a substantial shareholder of the Company
"Director(s)"	director(s) of the Company
"Executive Director(s)"	executive director(s) of the Company
"ESG"	environment, social and governance
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries

"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSAR" or "Hong Kong"	Hong Kong Special Administrative Region of the PRC
"INED(s)" or "Independent Non-executive Director(s)"	independent non-executive director(s) of the Company
"Latest Practicable Date"	1 September 2025, being the latest practicable date prior to the issue of this interim report
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MCBs"	Classes A, B, C and D zero-coupon mandatory convertible bonds due 2027 in the aggregate principal amount of USD2,927,460,067 issued by the Company on 27 March 2025 to the in-scope creditors as part of the consideration for the holistic debt management of the relevant offshore debts of the Group
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"NED(s)" or "Non-executive Director(s)"	non-executive director(s) of the Company
"net gearing ratio"	total borrowings less total cash resources divided by total equity
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Stock Exchange"	The Shanghai Stock Exchange
"Share(s)"	ordinary share(s) of the Company with no nominal value
"Shareholder(s)"	shareholder(s) of the Company
"Sino-Ocean Holding"	Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (formerly known as Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司)), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Sino-Ocean Service"	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677.HK), being a non-wholly owned subsidiary of the Company
"Sino-Ocean Service Group"	Sino-Ocean Service and its subsidiaries
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States dollars, the lawful currency of the United States
"Xishuangbanna"	Xishuangbanna Dai Autonomous Prefecture
"YoY"	year-on-year
"%"	per cent

Note:

In this interim report, the English names of the entities marked with "*" are translations of their Chinese names, and are included herein for identification purposes only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

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