远洋地产
SINO-OCEAN

Interim Report 2008

遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

(incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

(Stock Code: 03377)

Contents

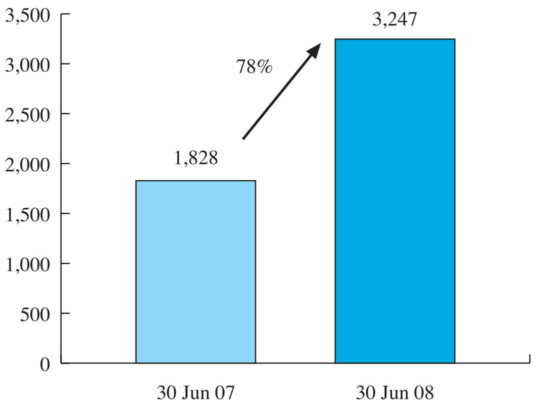

Perceptive

Financial Highlights

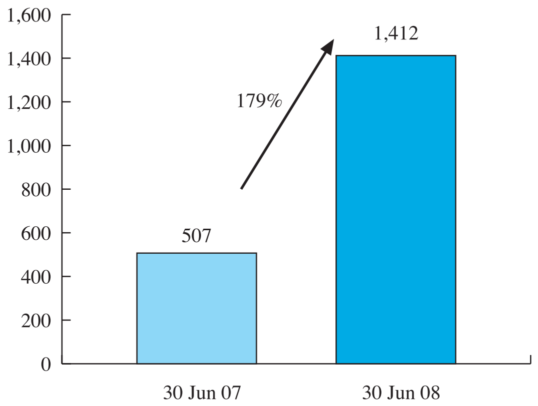
(RMB million)	Six months ended 30 June (unaudited) 2008	2007	% change
Revenue	**3,247**	1,828	78%
Gross profit	**1,412**	507	179%
Profit for the period	**583**	1,089	-46%
Profit attributable to equity holders of the Company	**542**	1,038	-48%
Earnings per share (RMB)	**0.12**	0.35	-66%
Dividends per share (HKD)	**0.03**	—	N/A

(RMB million)	As at 30 June 2008	As at 31 December 2007	% change
Total assets	**39,249**	37,766	4%
Net current assets	**22,013**	21,787	1%
Shareholders' equity	**15,882**	15,824	0.4%

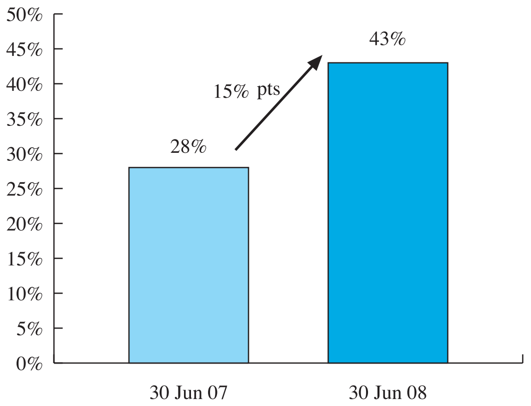
Revenue (RMB million)



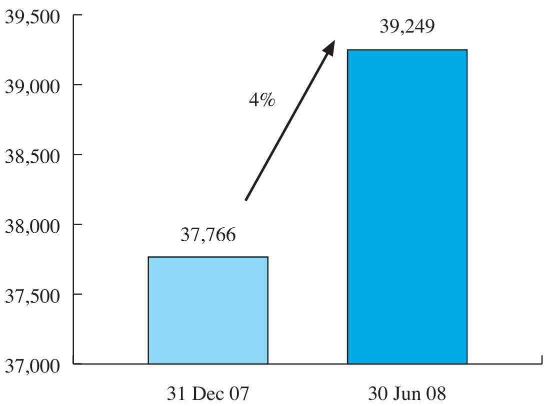
Gross profit (RMB million)



Gross Profit Margin



Total Assets (RMB million)



Harmonious

Report of the Chairman and the Chief Executive Officer

Interim Results

After a continuous five-year boom, the real estate industry in the PRC has faced market correction in 2008. Although it has posed challenges for Sino-Ocean Land Holdings Limited (the "Company"), together with its subsidiaries (the "Group"), it has also provided the Group with promising opportunities. As a result of the global economic slowdown since late 2007 and the macroeconomic control measures introduced by the Central Government of the PRC, the property market in the PRC cooled down during the first half of 2008.

Despite various adverse market conditions, the Group is pleased to record satisfactory growth in terms of both revenue and gross profit during the six months ended 30 June 2008 compared to the corresponding period in 2007. The Group's revenue for the period under review amounted to RMB3,247 million, which represents 78% growth compared to RMB1,828 million in the corresponding period of 2007. Gross profit for the period under review amounted to RMB1,412 million, which represents 179% growth compared to RMB507 million in the corresponding period of 2007. Though profit attributable to equity holders of the Company for the six months ended 30 June 2008 decreased by 48% to RMB542 million compared to RMB1,038 million in the same period of 2007, the overall operating capacities and efficiency of the Group remain healthy and continue to improve. The decrease in profit attributable to equity holders of the Company was mainly due to the one-off gain from the disposal of a jointly controlled entity in the first half of 2007, which contributed to the pre-tax profit for the first half of 2007 by RMB910 million and after-tax profit by RMB610 million. It is expected that the Group's property development business will continue its steady growth in the second half of 2008 and will contribute more to the Group's net profit.

Interim Dividend and Share Buyback Policy

The Group intends to maintain a stable dividend policy with an annual pay-out ratio of no less than 20% of the profits available for distribution during a financial period. However, the resolution to pay dividends will be made at the discretion of the Board and will be based upon the Group's earnings, cash flow, capital requirements and any other conditions that our Board deems relevant.

With reference to the profit of the Group for the period under review, the Board is pleased to declare an interim dividend for the six months ended 30 June 2008 of HK$0.03 per share.

During the six months ended 30 June 2008, the Company in aggregate repurchased 2,369,000 shares in the open market. In making these repurchases, the Company complied with the terms and conditions stated in the share re-purchase general mandate as passed at the annual general meeting held on 9 May 2008. The Board takes the view that when the share price of the Company is at an excessive discount, the share buyback transaction is an effective means to communicate to its investors that the share price cannot reflect the intrinsic value of the Company. All share buyback transactions are entered into for the sole purpose of maximizing our shareholders' return.

Operation Performance

Property Development

It is our long term corporate mission to be one of the leading nationwide property developers in the PRC while we will continue to maintain and enlarge our market share in the Pan Bohai Rim. During the first half of 2008, the total GFA sold and delivered was approximately 257,000 sq.m., representing an increase of 5.8% compared to the corresponding period in 2007, of which over 90% was contributed by the Pan Bohai Rim. According to our project development schedules, which have been properly adjusted to take into account the recent sluggish market conditions, we estimate that we will complete a total GFA of approximately 1,002,000 sq.m. for 2008, an increase of 2% as compared to 2007.

As at 30 June 2008, the Group had 10 projects underway, with a total GFA of approximately 5,264,000 sq.m., which represents an increase of 85% compared to 2,849,000 sq.m. for the corresponding period in 2007. The construction pipeline has been carefully monitored to ensure that our projects can meet our sales targets for the year 2009 and 2010. Furthermore, as a result of market adjustments, our actual volume of sales falls short of our forecast for various projects, the Group has accordingly adjusted our development pace so as to reduce and defer the incurrence of certain costs. Nevertheless, a lot of ground work was completed in the first half of 2008, we expect a total GFA of 571,000 sq.m. will be completed in the second half of 2008, whereas only 431,000 sq.m. was completed in the first half of 2008.

Property Investment

Income from investment properties only contributed to 1.7% of the total revenue for the first half of 2008 and 1.8% for the first half of 2007. A steady and reliable income stream with possible capital gains from investment properties would be an effective strategy for the Group to tackle the turbulent market conditions. Currently, the Group holds two important investment properties in Beijing, namely Ocean Plaza and Ocean International Center Block A, both of which are A-grade office buildings with total leasable areas of 112,000 sq.m..

The commercial properties leasehold market for high-end office premises remained stable in Beijing during the first half of 2008. The two investment properties of the Group, Ocean Plaza (Beijing) and Ocean International Center Block A (Beijing), recorded an average occupancy rate over 95% and 60% respectively. The relatively low average occupancy rate of Ocean International Center Block A (Beijing) during the period was due to the fact that its business operation only began in July 2007, still in its rapid development stage, and we therefore expect it to increase over time.

The process of adding other investment properties is now under consideration. We have carefully planned the portion of investment properties in each development project. We expect that the pace for adding investment properties to our portfolio may slowdown in 2008 but will increase in coming years. For the Group, this sector will become one of the drivers of our growth in coming years. We believe that for the healthy development of the Group, a sizeable investment property portfolio is the key. The Group will continue to search for opportunities to add in landmark investment properties to our portfolio to assist our brand development in our focus cities.

Strategic Land Replenishment

During the first half of 2008, the Group acquired 3 plots of land with a total GFA of approximately 536,000 sq.m., which increased our land bank by 4% from 10,178,000 sq.m. as at 31 December 2007 to 10,595,000 sq.m. as at 30 June 2008. In line with the Group's strategy to solidify our leading position in the Pan Bohai Rim, 87% of the newly acquired land bank are located in Beijing, with the remaining 13% located in Zhongshan, which will become part of our existing project – Ocean City (Zhongshan).

Report of the Chairman and the Chief Executive Officer

In light of the current real estate market adjustments in the PRC, the Board has taken a more cautious approach to land replenishment. Following the laid down project evaluation procedures, we cautiously seek good opportunities to expand our land bank in cities with high future development potential and in prime locations at reasonable acquisition prices. While continuing to focus on opportunities in the Pan Bohai Rim, in particular in Beijing and Tianjin, where we can leverage our competitive advantages, we have also adopted a selective approach to undertake medium to large scale projects (i.e. GFA from 300,000 sq.m. to 1,000,000 sq.m.) that can generate strong sales and support the Group's sustainable growth. In particular, we are paying close attention to those fast-growing cities with huge housing demands and unique geographic or economic development advantages, so as to expand our portfolio in the long run. Although primary development projects can only generate a modest return, they play an important strategic role in allowing the Group to participate in the early stages of property development, which will eventually strengthen our co-operation with local governments and shorten our project planning lead time. It is the Group's policy to participate in primary development projects as a means of strengthening our land bank.

Pricing Strategy

Following the second half of 2007, many property developers had difficulties in raising funds, either from the banks or from equity capital market. As a result, concerns arose that financially stressed developers might be forced to aggressively cut housing price in order to solve their immediate cash flow problems. In the first half of 2008, we noted that market adjustments took the form of a reduction in transaction volume rather than drop in average selling price. We therefore take the view that the possibility of large scale price war is very slim. Financially stressed developers are mainly small scale project companies and lack the financial resources to turn their undeveloped projects into finished products or even bring their projects into the pre-sale stage. They are therefore more likely to seek co-operation with other developers, or have the laters take over these projects. The Group will closely observe and assess the market situation and cautiously determine our pricing strategy. We are of the view that it would not be an effective strategy for us to compete on price alone, since our products can be differentiated from our competitors on quality and after-sales services. We believe that quality products not only prove investment values but also help us establish brand loyalty with our customers. Nevertheless, we will be very careful in pricing our projects that will be launched in the second half of 2008.

Financial Management Policy

As a result of the PRC government's tightening credit policy, which is aimed at curbing inflation, the financial sector has taken a skeptical view towards evaluating the financing capabilities of property developers. Developers have to bear higher financing costs and greater difficulties in renewing existing facilities or obtaining new facilities. Given our long-term relationships with principal bankers in the PRC and our sounded financial structure after our IPO in September 2007, we have been able to receive continuous support and access new banking facilities for the development of our future projects through diversified financing channels.

As at 30 June 2008, we have maintained a relatively low level of net debt to shareholders' equity ratio at 35%. As at 30 June 2008, the Group's remaining unutilized banking facilities amounted to RMB6.8 billion, out of which RMB3.9 billion is qualified for use. Nevertheless, it is our financial management policy to take a prudent approach and maintain a well balance between debt and equity financing. Taking into account our potential expansion in the future, the room to increase the net debt to shareholders' equity ratio will be carefully monitored and the ratio will be controlled at no more than 80%. We will balance carefully the need for long term growth against short term financial risk.

Market Outlook and Forward Looking

The performance of the real estate market in the PRC is highly correlated to the PRC's GDP growth. During the period under review, although we felt the adverse economic impact resulting from the snowstorm that happened in the central part of the PRC in January 2008 and the May 2008 Sichuan earthquake, we are pleased to observe a momentum for strong economic growth. Although the growth rate of the PRC economy slowed by 1.5% compared to the same period in 2007, the PRC economy maintained a double-digit growth rate of 10.4% for the first half of 2008.

However, the subprime crisis that originated in the US last year has caused turmoil in the global financial sector and produced a material adverse effects on the global economy, including the PRC market. We do not find the theory of de-coupling to be persuasive and expect the PRC economy to be affected as a result of the slowdown in its export growth. While the PRC was able to maintain its economic growth during the first half of 2008, the increasing inflation rate and slowdown in exports have drawn the attention of the Central Government. In line with the PRC government's target to "maintain economic growth while controlling inflation", it is expected that the PRC government will closely monitor the situation and take more cautious steps and measures to avoid an economic downturn caused by external environment and to curb inflation.

We expect that the existing macroeconomic control measures adopted by the PRC government will continue in force during the second half of 2008, although it is expected that the Central Government may allow certain flexibilities. Even though in the first half of 2008 the reserve ratio requirement was increased to a historical high of 17.5% by the People's Bank of China, the possibility that interest rates in the PRC may again be adjusted upward in the second half of 2008 cannot be ignored, as it is after all an effective tool to tackle the inflation problem.

For the real estate sector in the PRC, we have seen a general decline in turnover since the end of 2007. According to the National Bureau of Statistics of China, the total GFA sold nationwide decreased by 7.2% from 279 million sq.m. during the first six months of 2007 to 259 million sq.m. in the same period of 2008 and the average price nationwide also recorded a downward adjustment compared to its peak at the end of 2007. The real estate market in the PRC is now considered to be relatively healthy as the correction in average property prices will make housing more affordable to the general public. We take the view that the objective of the PRC government is to dampen the harmful effects of speculation and to regulate property prices at a stable level. We expect that these policies will lead to a more favorable operating environment for financially healthy real estate developers such as ourselves.

Being one of the leading real estate developers in Beijing, we share the joy and honor of hosting the Olympic Games in our city. During the Olympic Games period, Beijing applied certain construction control measures. Even though the Group had already anticipated and prepared for such arrangement, the extent for the implementation of transportation control and other measures gradually applied before and during the Olympic Games period were out of our original expectation and thus caused delay to our construction schedules for projects in Beijing. Furthermore, we noticed that many potential buyers delayed their purchase plan for real estate properties and took the "wait and see" approach before and during the Olympic Games period. This contradicted our original expectation that the Olympic Games would stimulate customers' demand for better housing and could further improve the Group´s sale performance. Nevertheless, we believe that the Olympic Games will have a long-lasting positive impact on Beijing's living environment due to the improvement of the transportation system, infrastructure and air quality. Therefore, we believe that the demand for housing from potential buyer will be restored after the Olympic Games. This will offset the short term adverse impact on Beijing's property market during the Olympic Games period. We are therefore optimistic about the increase in demand for housing in Beijing in the second half of 2008 and especially in the fourth quarter.

Report of the Chairman and the Chief Executive Officer

In the years to come, we believe that the PRC housing market may diverge between cities and between products in terms of market performance, price equilibrium and sales performance. The segmentation of the housing market will be more obvious over time. The government will further encourage the supply of products for the mass public (i.e. policy-related housing) in order to alternate the housing difficulties faced by those with low income, while commodity housing with better in quality and design, will attract those with higher income who are looking for improvement in their quality of living. We take the view that Sino-Ocean Land is well-positioned in first-tier cities in the PRC property market in mid-to-high-end products, which has a strong fundamental demand in the long run.

The Group will focus on developing mid-to-high-end products over the coming years, and this will require us to provide more value added services we can offer. Moreover, in order to sustain our competitive edge, we will continue to take full advantage of our professional design team's expertise to improve both the interior and exterior design as well as providing better after-sale services, and continuously improving quality of our products.

The Group also believes that the prevailing macro-economic control environment may potentially offer us increased opportunities to acquire land plots at discounted prices from those small-scale developers in the future.

The Group will adopt a balanced growth strategy under the current stringent economic environment. We will provide better quality products, aimed at strengthening our customers' loyalty and our brand recognition, and continue to improve the efficiency in our business operations, especially in regards to assets turnover and cash flow management, and adhere to our prudent financial management policy. The improvement in assets turnover is one of our top priorities for the second half of 2008. We believe that by doing so, we can maintain a healthy financial position despite the tightening credit policy under current market situation.

Corporate Governance

Stepping into the second year after our listing, we continue to benefit from the Group's improved corporate governance structure based on a diversified shareholder base. The Board is pleased to report that the segregation of the roles of independent non-executive directors has ensured independent oversight of the execution of the strategies as set out by the Board.

During the period under review, Mr. ZHENG Yi retired as a non-executive director of the Company. We would like to pay tribute to Mr. Zheng for his contribution to the Group during his tenure. Mr. YIN Yingneng Richard has been appointed as a non-executive director of the Company effective from 16 May 2008. We believe that the appointment of Mr. Yin to the Board will bring in new vision and knowledge that will benefit the Group's future development.

Appreciation

On behalf of the Board, we would like to thank our management, shareholders, staff, business partners and the local governments for their loyalty and support. With their support, we are confident that the Group will continue to accomplish our corporate goals.

LI Jianhong
Chairman

LI Ming
Chief Executive Officer

Hong Kong, China, 9 September 2008


Visionary

Management Discussion and Analysis

Financial Review

Revenue

The Group's revenue is derived from property development, property investment and other real estate related businesses, including property management. Revenue of the Group during the period under review increased significantly by 78% to RMB3,247 million, compared to only RMB1,828 million in the corresponding period in 2007. The significant increase in revenue was mainly attributable to the growth in revenue from property development, jumping from RMB1,701 million in the first half of 2007 to RMB3,021 million in the first half of 2008.

Revenue from property investment rose by 70% from RMB33 million in the first half of 2007 to RMB56 million in the first half of 2008. This was mainly due to the fact that Ocean International Center Block A (Beijing) only began to contribute to the Group's revenue from July 2007 onwards.

Revenue from other real estate-related businesses amounted to RMB170 million in the first half of 2008, compared to only RMB94 million in the first half of 2007, a remarkable 81% period-to-period growth. The increase in revenue from other real estate-related businesses mainly resulted from the RMB79 million contributed by the Group's upfitting services during the period ended 30 June 2008 (30 June 2007: Nil).

The following table sets forth our revenue breakdown for the six months ended 30 June 2008 and 2007.

Revenue	**First half 2008 (RMB million)**	First half 2007 (RMB million)	Growth (%)
Property development	**3,021**	1,701	78%
Property investment	**56**	33	70%
Others	**170**	94	81%
Total	**3,247**	1,828	78%

Cost of Sales

Cost of sales mainly comprised of land costs, construction costs and capitalized interest expenses. During the period under review, land costs and construction cost accounted for 79% (30 June 2007: 87%) of the total cost of sales. Capitalized interest amounted to RMB54 million, up from RMB14 million in the first half of 2007, and accounted for 3% of the cost of sales (30 June 2007: 1%).

Gross Profit

Gross profit for the period ended 30 June 2008 was RMB1,412 million (30 June 2007: RMB507 million) and the gross margin reached 43% (30 June 2007: 28%), a substantial increase of 15% points. Even though the land cost per sq.m. (including land use right, dismantlement and relocation cost, etc.) increased by 15% to about RMB1,960 per sq.m. for the period ended 30 June 2008 (30 June 2007: about RMB1,700 per sq.m.) and the construction cost per sq.m. increased by 23% to about RMB3,710 per sq.m. for the period ended 30 June 2008 (30 June 2007: about RMB3,020 per sq.m.), the average selling price per sq.m. (excluding sales of car parks) increased by 79% to RMB12,518 per sq.m. (30 June 2007: RMB6,987 per sq.m.), which meant that the Group was able to overcome the increases in costs by raising our sales price and to yield a higher gross profit margin. Benefiting from the increase in gross profit margin, the Group recorded a 179% growth in our gross profit. The Group believes that continuously improving the quality of our products will allow the Group to put a premium on prices for our products and therefore sustain a high gross profit margin.

Other Operating Income and Other Income

No fair value gain on our investment properties has been recorded for the period ended 30 June 2008 (30 June 2007: RMB343 million) as the Group has not revalued our investment properties.

One-off gain on the disposal of a jointly controlled entity of RMB910 million in the first half of 2007 came from the disposal of all of our equity interest in Shing Wing International Investment Limited, a wholly owned subsidiary of the Group, which indirectly owns 50% equity interest in Chemsunny World Trade Center (Beijing). There was no such disposal gain in the first half of 2008.

Other income and gains (net) for the period ended 30 June 2008 reached RMB212 million, which represents 371% growth compared to RMB45 million in the first half of 2007. Such other income and gain for the first half of 2008 mainly comprised of interest income of RMB97 million, gain from the early redemption of convertible bonds (RMB78 million) and other gains derived from our acquisition of additional interests in our subsidiaries of RMB35 million for the period ended 30 June 2008.

The fair value gain on convertible bonds of RMB73 million for the period ended 30 June 2008 (30 June 2007: Nil) represented the gain from the fair value changes in the outstanding convertible bonds issued by the Group.

Operating Expenses

Selling and marketing costs increased by 160% from RMB40 million in the first half of 2007 to RMB104 million in the first half of 2008. The significant increase in selling and marketing costs was due to the Group's increased efforts in promoting our products under current market adjustment environment so as to stimulate demand. Selling and marketing costs accounted for 3.2% of revenue in the first half of 2008, as compared to only 2.2% of revenue in the first half of 2007.

Administrative expenses increased by 125% from RMB88 million in the first half of 2007 to RMB198 million in the first half of 2008. The increase in administrative expenses was due to the increase in the number of employees to 3,157 for the period ended 30 June 2008 (30 June 2007: 2,377) and the increase in the average salary of our staff. In addition, amortisation of share option of approximately RMB60 million was recorded for the period ended 30 June 2008 (30 June 2007: Nil).

Finance Costs

During the period under review, interest expenses reached RMB481 million, up from RMB271 million in the first half of 2007, as a result of the increase in total borrowing from RMB8.8 billion in the first half of 2007 to RMB13.5 billion in the first half of 2008 and the increase in the average cost of funding for the period under review to 7.58% (30 June 2007: 6.26%).

Finance costs charged through consolidated income statements decreased by 25% to RMB60 million for the period ended 30 June 2008 (30 June 2007: RMB80 million) due to the Group has strengthened the management in utilization of capital. Most of the borrowings were invested to the development projects immediately after drawndown. Therefore, large portion of the interest expenses were being capitalized.

Management Discussion and Analysis

Taxation

Although the aggregate of enterprise income tax and deferred tax decreased by 7.3% to RMB443 million (30 June 2007: RMB478 million), effective tax rate (the aggregate of enterprise income tax and deferred tax divided by profit before income tax) increased from 30% in the first half of 2007 to 33% in the first half of 2008. This is because the deferred tax rate for the fair value gain recorded in the first half of 2007 was only 25% and most of the revenue recognized from property development business in the first half of 2008 were related to the pre-sale in 2007, which were not yet able to enjoy the benefit from the cut in income tax rate from 33% to 25%. Nevertheless, we will see the benefit from the income tax rate change gradually reflected on our future results.

Given that land appreciation tax is levied on the basis of sales price minus by relevant cost, the higher the sales price over the cost, the higher the land appreciation tax. As compared to the corresponding period in 2007, projects sold by the Group during the first half of 2008 had a higher profit margin, therefore land appreciation tax increased to RMB308 million for the six-month period ended 30 June 2008 (30 June 2007: RMB30 million).

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company decreased by 48% to RMB542 million for the six-month period ended 30 June 2008 (30 June 2007: RMB1,038 million). This decrease was mainly attributable to the inclusion of a significant one-off gain from the disposal of a jointly controlled entity of a pre-tax amount RMB910 million and an after-tax profit RMB610 million in the first half of 2007.

Liquidity and Financial Resources

The Group's financial resources mainly come from income generated from operations and external bank financing. As at 30 June 2008, cash resources (the aggregate of cash and cash equivalents and restricted bank deposits) of the Group amounted to RMB7.9 billion with a current ratio at 2.7 times. Total assets and shareholders' equity as at 30 June 2008 amounted to RMB39.2 billion and RMB15.9 billion respectively.

The Group's total borrowings (including the RMB686 million outstanding convertible bonds) increased to RMB13.5 billion as at 30 June 2008 from RMB11.3 billion as at 31 December 2007. Net debt to shareholders' equity ratio remained at a relatively low level of 35% as at 30 June 2008 (31 December 2007: 12%). Of the RMB13.5 billion borrowings 36% is to be repaid within 1 year; 49% within 1 to 2 years; 6% within 2-5 years and 9% over 5 years. Those borrowings that fall due within 1 year are expected to roll-over or be refinanced by other banking facilities currently being arranged.

As at 30 June 2008, available but unutilized banking facilities amounted to RMB3.9 billion. It is expected that part of these unutilized banking facilities will be used in the second half of 2008 to finance some of our development projects.

The repayment schedule of the Group's borrowings was as follows:

RMB'million	**As at 30 June 2008**	As at 31 December 2007
Within 1 year	**4,887**	3,281
1 to 2 years	**6,677**	6,403
2 to 5 years	**750**	400
Over 5 years	**1,200**	1,200
Total	**13,514**	11,284

Financial Guarantees and Pledge of Assets

As at 30 June 2008, the value of the guarantees provided by the Group to banks for mortgages extended to some property buyers before completion of their mortgage registration was RMB1,451 million (31 December 2007:RMB1,732 million).

As at 30 June 2008, the Group had pledged part of its land use rights, properties under development, completed properties held for sale, etc. to secure short-term bank loans (including current portion of long-term borrowings) of RMB1,345 million and long-term bank loans of RMB3,905 million.

Capital Commitments

The Group has entered into certain agreements in respect of land acquisition and property development. As at 30 June 2008, the Group had total capital commitments of RMB10.8 billion (31 Decmeber 2007: RMB10.2 billion).

Contingent Liabilities

In line with the prevailing commercial practice in the PRC, the Group has provided guarantees for mortgages extended to some property buyers before completion of their mortgage registration. As at 30 June 2008, the total amount of the aforesaid guarantees provided by the Group was RMB1,451 million (31 December 2007: RMB1,732 million). In the past, the Group has not incurred any material losses from providing such guarantees. This is because the guarantees were given as a transitional arrangement that would be terminated upon the completion of the mortgage registration and were secured by the properties of the buyers.

Business Review

Property Development

1) Recognized Sales

Continuing with the Group's momentum for growth in 2007, revenue from property development in the first half of 2008 reached RMB3,021 million, which represents a significant increase of 78% over RMB1,701 million during the same period in 2007. This growth is arising from the increase in average selling price (excluding sales of car parks), from about RMB6,987 per sq.m. in the first half of 2007 to about RMB12,518 per sq.m. in the first half of 2008, which represented 79% growth, and the growth in total GFA sold and delivered, from approximately 243,000 sq.m. in the first half of 2007 to approximately 257,000 sq.m. in the first half of 2008, which represents 5.8% growth.

The increase in average selling price in recognized sales was partly attributable to the sharp increase in selling price of some of our projects as compared to the first half of 2007, including Ocean Landscape (Beijing), Ocean Seasons (Beijing) and Ocean Paradise (Tianjin), which increased by 102%, 53% and 86% respectively; and partly attributable to the first time delivery of Ocean Office Park (Beijing), which is located in the Central Business District of Beijing, with average selling price per sq.m. of RMB20,322.

During the first half of 2008, projects in Beijing remained to be the Group's major source of revenue. Recognized sales in Beijing accounted for 89% of the Group's revenue from property development segment, and our projects in Tianjin remained as the second key source of revenue, accounting for about 7% of the Group's revenue from property development segment. The remainder was derived from projects in Zhongshan.

The following table presents the figures of GFA sold and delivered (excluding sales of car parks) and the relevant information for each project for the first half of 2008:

Project	Revenue (RMB million)	GFA sold and delivered (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to the Group (%)
Beijing				
Ocean Express	16.1	894	18,009	100%
Ocean Landscape	1,576.7	137,862	11,437	100%
Ocean Office Park	777.0	38,234	20,322	80%
Ocean Paradise	0.6	77	7,792	100%
Ocean Seasons	240.1	22,384	10,726	70%
Tianjin				
Ocean Paradise	206.4	15,704	13,143	96.99%
Zhongshan				
Ocean City	137.2	20,827	6,588	100%
Total	**2,954.1**	**235,982**	**12,518**	

2) Contracted Pre-sales

Contracted pre-sale amount decreased by 23% from RMB3,034 million in the first half of 2007 to RMB2,328 million in the first half of 2008. Although the average selling price (excluding sales of car parks) increased by 18% from RMB12,068 per sq.m. in the first half of 2007 to RMB14,209 per sq.m. in the first half of 2008, the total GFA sold decreased by 27% from 251,400 sq.m. in the first half of 2007 to 183,000 sq.m. in the first half of 2008.

Three new projects were newly launched for pre-sale during the first half of 2008 and one additional project will be launched in the fourth quarter of 2008. Since two out of the three newly launched projects, namely Ocean Great Harmony (Beijing) and Ocean Paradise (Shenyang), were only available for pre-sale in mid-May 2008 and late-June 2008 respectively, the results from the pre-sale of these two projects have not yet been fully realised during the period under review. We expect that these two projects will contribute more to the Group's pre-sale in the second half of 2008. Furthermore, in view of the below expectation pre-sale figure of another key project, i.e. Poetry of River (Beijing) in the first half of 2008, we will modify our sales strategy and repackage this low density residential project in the eastern side of Beijing by upgrading its overall external environment. We therefore expect the results from the pre-sale of Poetry of River (Beijing) will improve in the second half of 2008. We expect to launch the pre-sale of another key project in 2008, Ocean Landscape Eastern Area (Beijing), in October 2008. We believe that the public's compliments and goodwill that the Group enjoys from Ocean Landscape (Beijing) would help boost sales performance of Ocean Landscape Eastern Area (Beijing).

Project	First time pre-sale date	Approximate total GFA of the project (sq.m.)	Interest attributable to the Group (%)
Beijing			
Ocean Great Harmony	10 May 2008	447,000	100%
Ocean Honored Chateau	29 March 2008	52,000	100%
Ocean Landscape Eastern Area	October 2008 (estimated)	417,000	100%
Shenyang			
Ocean Paradise (including previous Changbai project)	21 June 2008	938,000	100%

The Group is always exploring different sales channels and strategies to maximise the turnover of our projects. Whole-block sale is one of the options we are willing to consider provided that the selling price is satisfactory. On 28 June 2008, the Group entered into an agreement with CB Richard Ellis for the sale of Ocean Honored Chateau (Beijing) Block A of 17,000 sq.m., bare shell, at a consideration of RMB427 million, which represents about RMB25,400 per sq.m.. The completion of this transaction is expected to take place no later than the first half of 2009.

Management Discussion and Analysis

During the first half of 2008, the Group's contracted pre-sale derived from 11 projects, located in five cities, six from Beijing, two from Tianjin, one from Dalian, one from Shenyang and one from Zhongshan. The Pan Bohai Rim remained to be the core area of the Group's business, generating about 99% of the contracted pre-sale of which 73% came from Beijing. The following table provides a breakdown of the contracted pre-sale (excluding sales of car parks) for the first half of 2008:

Project	Contracted pre-sale amount (RMB million)	GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to the Group (%)
Beijing				
Ocean Express	36.5	1,983	18,406	100%
Ocean Great Harmony	239.4	10,860	22,044	100%
Ocean Honored Chateau	570.6	21,764	26,218	100%
Ocean Landscape	549.8	36,615	15,016	100%
Ocean Seasons	68.6	6,474	10,596	70%
Poetry of River	169.4	14,118	11,999	100%
Tianjin				
Ocean Express	155.7	18,054	8,624	97.05%
Ocean Paradise	150.9	10,857	13,899	96.99%
Dalian				
Ocean Prospect	145.2	11,888	12,214	100%
Shenyang				
Ocean Paradise	134.0	21,693	6,177	100%
Zhongshan				
Ocean City	27.9	3,900	7,154	100%
Total	**2,248.0**	**158,206**	**14,209**	

3) Construction Progress and Planning

During the first half of 2008, we completed a total GFA of approximately 431,000 sq.m., an increase of approximately 155% compared to 169,000 sq.m. in the first half of 2007. With careful planning, a lot of fundamental work was done during the first half of 2008. Although the construction work for our projects in Beijing had to be stopped temporarily during the Olympic Games period and caused some delay to the Group's development schedule, it has no material impact to our sales resources. Furthermore, in view of the lower than expected sales progress, we have reduced the speed of construction in order to minimize cash outflow.

With Ocean Office Park (Beijing) nearly completed, together with some of the projects that have been developed ahead of schedule, including Ocean Prospect (Dalian) and Poetry of River (Beijing), we are confident that a total GFA of approximately 571,000 sq.m. will be completed in the second half of 2008. In 2008, we are targeting to complete construction of a total GFA of approximately 1,002,000 sq.m., which represents a 2% increase compared to 985,000 sq.m. in 2007, with a total GFA of about 268,000 sq.m. to be contributed from areas outside Beijing in the second half of 2008.

	Approximate total GFA (sq.m.)	Total GFA completed in 1st half of 2008 (sq.m.)	Total GFA to be completed in 2nd half of 2008 (sq.m.)
Beijing			
Ocean Landscape (Phase III & IV)	695,000	208,000	—
Ocean Office Park	210,000	—	113,000
Ocean Seasons	318,000	89,000	25,000
Poetry of River	297,000	—	165,000
Tianjin			
Ocean Express	454,000	—	23,000
Ocean Paradise Phase I	320,000	35,000	—
Dalian			
Ocean Prospect	181,000	—	99,000
Zhongshan			
Ocean City (including previous Xiao aoxi project)	1,950,000	99,000	146,000
Total	**4,425,000**	**431,000**	**571,000**

Management Discussion and Analysis

4) Developing projects at a glance

As at 30 June 2008, the Group had a total of ten projects under development compared to only six projects during the corresponding period in 2007. The total GFA for projects under development increased by 85% from 2,849,000 sq.m. as at 30 June 2007 to 5,264,000 sq.m. as at 30 June 2008. These ten projects are located in five cities in the PRC, including Beijing, Tianjin, Dalian, Shenyang and Zhongshan. The Group believes that we can leverage our project management experience in the Pan Bohai Rim region and our understanding of the local market to continue our success in areas outside of this region.

The following table shows the Group's projects under development as at 30 June 2008.

	Estimated completion	Approximate total GFA (sq.m.)	Approximate saleable area (sq.m.)	Interest attributable to the Group (%)
Beijing				
Ocean Great Harmony	2010	447,000	321,000	100%
Ocean Honored Chateau	2008	52,000	38,000	100%
Ocean Landscape Eastern Area	2011	417,000	358,000	100%
Ocean Office Park	2008	210,000	137,000	80%
Ocean Seasons	2009	318,000	219,000	70%
Poetry of River	2010	297,000	261,000	100%
Tianjin				
Ocean Express	2009	454,000	396,000	97.05%
Dalian				
Ocean Prospect	2009	181,000	160,000	100%
Shenyang				
Ocean Paradise (including previous Changbai project)	2011	938,000	774,000	100%
Zhongshan				
Ocean City (including previous Xiao aoxi project)	2014	1,950,000	1,730,000	100%
Total		**5,264,000**	**4,394,000**	

5) Newly acquired projects at a glance

In light of the real estate market adjustment in the PRC that began in the second half of 2007, and in accordance with our prudent approach to land acquisition, the Group only acquired three plots of land of a total GFA of approximately 536,000 sq.m. at a total consideration of RMB2,112 million during the first half of 2008. Two land plots are located in Beijing, and the third one is located in Zhongshan. Although the average acquisition price for these three land plots was approximately RMB3,940 per sq.m., which is higher than that of our existing land bank, these projects are either located in prime areas, or adjacent to the Group's existing projects and so able to create synergy with our existing projects. These land acquisitions are in line with the Group's land replenishment strategy, and we believe that these projects will, in the long term, benefit our shareholders.

Project	Description	Estimated GFA (sq.m.)	Acquisition price (RMB million)	Interest attributable to the Group (%)
Beijing				
Ocean Landscape Eastern Area	Located on the eastern side of the Group's current project, Ocean Landscape (Beijing), which is one of the Group's key projects with GFA over 1 million sq.m.	417,000	1,358	100%
Ocean Wangfujing Project	Located near Wangfujing shopping area and Chang An Street, prime location for shopping and commercial activities in Beijing	50,000	700	100%
Zhongshan				
Boai Road area Zhongshan	Located near the Group's existing project in Zhongshan, Ocean City, and will become part of this project	69,000	54	100%
Total		**536,000**	**2,112**	

Land Bank

Land bank is a key factor to the Group's future development. The Group´s land bank increased by 4% from 10,178,000 sq.m. as at 31 December 2007 to 10,595,000 sq.m. as at 30 June 2008, with the GFA attributable to the Group amounting to 9,254,000 sq.m.. As the Group continued to adopt a prudent replenishment strategy in the first half of 2008, i.e. by acquiring land plots only at strategic locations at reasonable prices, the Group´s land bank only modestly increased by 417,000 sq.m. during this period. Although this may slow down the expansion of our land bank, we believe that there will be a lot of good opportunities in the future given the current real estate market adjustment.

The Group's land banks cover six cities in the PRC, including Beijing, Tianjin, Dalian, Shenyang, Hangzhou and Zhongshan, of which 74% were located in the Pan Bohai Rim region, including 25% from Beijing. Outside the Pan Bohai Rim, the Yangtze River Delta and the Pearl River Delta regions accounted for 7% and 19% of our land banks respectively.

Management Discussion and Analysis

Taking into account the land banks newly added during the first half of 2008, the average land cost per sq.m. for the Group as at 30 June 2008 was approximately RMB2,326 per sq.m..

Location	Project	Approximate total GFA (sq.m.)	Approximate saleable area (sq.m.)	Remaining GFA (sq.m.)	Interest attributable to the Group (%)
Completed properties held for sale					
Beijing	Ocean Express	191,000	172,000	42,000	100%
Beijing	Ocean Landscape Phase I & II	706,000	598,000	130,000	100%
Beijing	Ocean Landscape Phase III & IV	695,000	595,000	276,000	100%
Beijing	Ocean Paradise	551,000	427,000	4,000	100%
Tianjin	Ocean Paradise Phase I	320,000	275,000	82,000	96.99%
Sub-total		2,463,000	2,067,000	534,000	
Properties under development					
Beijing	Ocean Great Harmony	447,000	321,000	447,000	100%
Beijing	Ocean Honored Chateau	52,000	38,000	52,000 (note i)	100%
Beijing	Ocean Landscape Eastern Area	417,000	358,000	417,000	100%
Beijing	Ocean Office Park	210,000 (note ii)	137,000	136,000	80%
Beijing	Ocean Seasons	318,000 (note ii)	219,000	62,000	70%
Beijing	Poetry of River	297,000	261,000	297,000	100%
Tianjin	Ocean Express	454,000	396,000	454,000	97.05%
Dalian	Ocean Prospect	181,000	160,000	181,000	100%
Shenyang	Ocean Paradise (including previous Changbai project)	938,000	774,000	938,000	100%
Zhongshan	Ocean City (including previous Xiao aoxi project)	1,950,000	1,730,000	1,930,000	100%
Sub-total		5,264,000	4,394,000	4,914,000	
Properties to be developed					
Beijing	Business SORED	306,000	254,000	306,000	50%
Beijing	Ocean Garden	208,000	136,000	208,000	100%
Beijing	Ocean Wangfujing Project	50,000	45,000	50,000	100%
Beijing	Tongzhou Yuqiao	179,000	159,000	179,000	90%
Tianjin	Ocean City	1,765,000	1,732,000	1,765,000	100%
Tianjin	Ocean Paradise Phase II	270,000	191,000	270,000	96.99%
Dalian	Ocean Worldview (formerly named Red Star)	1,542,000	1,513,000	1,542,000	51%
Hangzhou	Cannel Commercial District	615,000	611,000	615,000	51%
Hangzhou	Hang Yimian	143,000	140,000	143,000	70%
Zhongshan	Boai Road area Zhongshan	69,000	20,000	69,000	100%
Sub-total		5,147,000	4,801,000	5,147,000	
Total		**12,874,000**	**11,262,000**	**10,595,000**	

Note i: On 28 June 2008, the Group entered into an agreement with CB Richard Ellis for the sale of Ocean Honored Chateau (Beijing) Block A of 17,000 sq.m., bare shell, at a consideration of RMB427 million, which represents about RMB25,400 per sq.m.. The completion of this transaction is expected to take place no later than the first half of 2009.

Note ii: Including areas to be given back to the original land owner.

Property Investment

The Group's investment properties continued to be a stable source of cash flow. As at 30 June 2008, investment properties held by the Group covered a total leasable area of 112,000 sq.m., increased by 261% compared to the first half of 2007, but unchanged from 31 December 2007. The prime location of Ocean Plaza (Beijing) enabled it to continue to enjoy a high average occupancy rate, which was over 95% for the first half of 2008. The rental business for Ocean International Center Block A (Beijing) has continued to improve since July 2007, the first month it started generating rental income. During the first half of 2008, Ocean International Center Block A (Beijing) had an average occupancy rate of 60%. Entering into the second year of leasing, we believe that the rental business of Ocean International Center Block A (Beijing) will continue to flourish based on its prestigious and close proximity to the Central Business District of Beijing. It is expected that the occupancy rate of Ocean International Center Block A (Beijing) will reach 75% by the end of 2008.

Project	Approximate leasable area (sq.m.)	Office building (sq.m.)	Retail spaces (sq.m.)	Other areas (sq.m.)	Interest attributable to the Group (%)
Ocean Plaza (Beijing)	31,000	26,000	1,000	4,000	70%
Ocean International Center Block A (Beijing)	81,000	77,000	4,000	—	100%
Total	**112,000**	**103,000**	**5,000**	**4,000**	

Since a stable and reliable income stream from investment properties would help the Group to smooth out the impact of the property development business economic cycle, the Group will carefully select potential investment properties, including office premises and shopping centers in core districts in Beijing. In forthcoming years, the Group will continue to increase its amount of and scale of investment in investment properties in order to increase its revenues generated by this business sector.

Property Management

As another important business of the Group, and as value-added services to our customers, the Group continued to provide quality property management services in the first half of 2008. As at 30 June 2008, the number of households and the total GFA covered by the Group's property management services reached 19,700 and approximately 2,635,000 sq.m. respectively.

Prospects

The macroeconomic control measures adopted by the PRC Central Government have taken effect. As a result, speculation has been dampened and land price have been subjected to tight scrutiny. In view of the measures implemented by the PRC government, banks in the PRC have tightened their credit policies and limited the PRC real estate developers' access to banking facilities. Although for many financially unhealthy developers such measures may create liquidity problems, such measures offer excellent acquisition opportunities for the Group. We expect that the property market will continue to be stringent in the second half of 2008 despite the possibility of large scale price war would be slim. Nevertheless, the property market is believed to be healthy and the demand from potential buyers will gradually pick up.

The Group will carefully implement our future business plan in response to this changing market situation. We will closely monitor our sales progress in the second half of 2008 and adjust our project development pace accordingly. In view of the less than expected sales in the first half of 2008, we will seek alternative sales strategies in order to speed up the Group's asset turnover, which may include considering possible opportunities of whole-block sale of our properties and repackaging some of our projects to make them more attractive compared to our competitors' products. Regarding land replenishment, we take the view that opportunities to acquire land plots in prime locations in cities located within the Pan Bohai Rim region will arise in the second half of 2008. We have some targets already identified, but will only commit to these potential projects if the prices are reasonable. Nevertheless, we will closely follow these opportunities while monitoring the opportunities for other good projects in cities outside the Pan Bohai Rim region.

Our driver for the growth in pre-sales in the second half of 2008 are to be the Ocean Landscape Eastern Area (Beijing), which will be launched in the second half of 2008, the realisation of Ocean Paradise (Shenyang) and Ocean Great Harmony (Beijing) sales potential and the results of repackaging our existing projects.

Other information

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

As of the first half of 2008, the group had no investments in hedging of speculative derivatives. Considering potential Renminbi exchange rate fluctuations, the Group will consider whether or not to arrange for monetary and interest rate swaps at appropriate times so as to avoid the corresponding risks.

Employees and Remuneration Policy

As at 30 June 2008, the Group had 3,157 employees (30 June 2007: 2,377). The increase in headcount was mainly a result of our establishment of an office in Hangzhou for the purpose of planning our Hangzhou – based projects and increased need for employees providing property management service upon the completion of our development projects. The Group maintained a competitive remuneration package, including continuously providing our staff with essential training. The Group is therefore able to maintain a low turnover rate of less than 5%.

Corporate Citizenship

While effectively managing business growth and maximizing shareholders' returns are essential components of a successful business, paying close attention to the society's needs is the key to be a responsible corporation. While the Group is devoted to building up our business, we must not forget those who need our help.

On 8 January 2008, the Group was awarded the "2008 Public Welfare Real Estate Enterprise in the PRC" in an online pubic appraisal activity organized by Sohu.com, a leading PRC portal website, and the House Focus Net (house.focus.cn). Since 2006, the Group has participated in a variety of environmental protection and welfare activities. In following the slogan "Old Residential Community, New Green Environment", the Group has visited 53 old residential communities and helped 15 old residential communities improve their living environment.

Management Discussion and Analysis

In response to the disastrous earthquake that shocked Sichuan Province on 12 May 2008, the Group donated RMB3.377 million to Chinese Red Cross Foundation to be used to purchase the necessary earthquake-relief items for victims of the earthquake. In addition, in response to our CEO's request to use every effort to help the victims of the earthquake, our employees raised more than RMB5 million in donation that were then distributed between several charitable organizations.

Going forward, we will continue to help those suffering from poverty, support the education of young people, and support the rebuilding of homes and infrastructure in areas affected by the 12 May 2008 Sichuan Earthquake.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Disclosure of Interests

Directors and Chief Executives' Interest

As at 30 June 2008, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name	Nature of interest	No. of Shares of ordinary shares held (long position)	Share options	Total	Percentage in the Company's issued share capital *(note iii)*
LI Ming	Interests of controlled corporation	124,490,520 *note (i)*	4,280,000 *note (ii)*	128,770,520	2.877%
LIANG Yanfeng			1,430,000 *note (ii)*	1,430,000	0.032%
CHEN Runfu			1,710,000 *note (ii)*	1,710,000	0.038%
YIN Yingneng Richard	Beneficial owner	16,000,000	—	16,000,000	0.357%
TSANG Hing Lun			200,000 *note (ii)*	200,000	0.004%
GU Yunchang			200,000 *note (ii)*	200,000	0.004%
HAN Xiaojing			200,000 *note (ii)*	200,000	0.004%
ZHAO Kang			200,000 *note (ii)*	200,000	0.004%

Notes:

i. The 124,490,520 shares were registered in the name of, and are beneficially owned by, Fair Top Management Limited and Eagle Raider Management Limited. Mr. Li Ming, a director of the Company, has a 100% interest in both of the companies, and was deemed to have interests in the 124,490,520 shares by virtue of the SFO.

ii. The share options were granted pursuant to the share option scheme of the Company, the details of which are set out below in the paragraph headed "Share Option Scheme" and the prospectus of the Company dated 14 September 2007.

iii The percentages did not take into account the subsequent reduction of share capital of the Company in July 2008 resulting from the Company's repurchase of shares in June 2008.

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

Directors' Rights to Purchase Shares or Debentures

Except for the share options granted by the share option scheme of the Company as set out below in the paragraph headed "Share Option Scheme", at no time during the six months ended 30 June 2008, was the Company or any of its subsidiaries a party to any arrangement that would enable the directors of the Company 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

The register of substantial shareholders required to be kept by the Company under Section 336 of Part XV of the SFO shows that as at 30 June 2008, the Company was notified of the following substantial shareholders' interests and short positions in the shares of the Company, being interests of 5% or more, in addition to those disclosed above in respect of the directors and chief executives of the Company.

Name of shareholders	Capacity	Long/ short position	Number of ordinary shares held	Percentage in the Company's issued share capital *(Note iv)*
China Ocean Shipping (Group) Company *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
COSCO (Hong Kong) Group Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
True Smart International Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
COSCO International Holdings Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
COSCO (B.V.I) Holdings Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
COSCO International Land (B.V.I) Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
COSCO International Land Limited *(Note i)*	Interest of controlled corporation	Long	927,151,000	20.72%
Sunny Wealth Investments Limited *(Note i)*	Beneficial owner	Long	927,151,000	20.72%
Sinochem Corporation *(Note ii)*	Interest of controlled corporation	Long	636,420,000	14.22%
Sinochem Hong Kong (Group) Co Ltd. *(Note ii)*	Beneficial owner	Long	636,420,000	14.22%
UBS AG *(Note iii)*	Beneficial owner/ Person having a security interest in shares/ Interest of controlled corporation	Long	247,887,266	5.54%
	Beneficial owner	Short	6,731,900	0.15%

Disclosure of Interests

Notes:

(i) The 927,151,000 shares were beneficially owned by Sunny Wealth Investments Limited, which was wholly owned by COSCO International Land Limited. COSCO International Land Limited was wholly owned by COSCO International Land (B.V.I.) Limited, which in turn was wholly owned by COSCO (B.V.I.) Holdings Limited. True Smart International Limited was interested in 58.03% of COSCO International Holdings Limited, which wholly owned COSCO (B.V.I.) Holdings Limited. True Smart International Limited was wholly owned by COSCO (Hong Kong) Group Limited, which in turn was wholly owned by China Ocean Shipping (Group) Company ("COSCO").

(ii) The 636,420,000 shares were registered in the name of and beneficially owned by Sinochem Hong Kong (Group) Co Ltd which was wholly owned by Sinochem Corporation.

(iii) UBS AG held a long position in 247,887,266 shares of the Company comprising:

(a) 171,243,038 shares held by UBS AG;

(b) 44,791,000 shares in which UBS AG has a security interest; and

(c) 31,853,228 shares held by certain wholly owned subsidiaries of UBS AG, including UBS Fund Management (Switzerland) AG, UBS Fund Services (Luxembourg) SA, UBS Global Asset Management (Americas) Inc., UBS Global Asset Management (Australia) Inc., UBS Global Asset Management (Hong Kong) Limited, UBS Global Asset Management Life Limited, UBS Global Asset Management (Singapore) Limited, UBS Global Asset Management (Taiwan) Limited, UBS Global Asset Management (UK) Limited and UBS Global Asset Management (Japan) Limited.

UBS AG held a short position in 6,731,900 shares of the Company.

(iv) The percentages did not take into account the subsequent reduction of share capital of the Company in July 2008 resulting from the Company's repurchase of shares in June 2008.

Save as disclosed above, as at 30 June 2008, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO as having an interest of 5% or more of, or any short position in, the issued share capital of the Company.

Corporate Governance and Other Information

Share Option Scheme

The share option scheme (the "Share Option Scheme") was approved by the shareholders' written resolutions dated 3 September 2007. Under the Share Option Schemes the Board of the Company may grant options to eligible employees and directors. As set out in the prospectus of the Company dated 14 September 2007 (the "Prospectus"), the purpose of the Share Option Scheme is to provide an incentive for employees of the Group to work towards enhancing the value of the Company and its shares for the benefit of our shareholders, and to compensate employees of the Group for their contribution based on their individual performance and that of the Company. Details of the terms of the Share Option Scheme are set out in the Prospectus.

Up to 30 June 2008, 78,740,000 share options had been granted and remain valid under the Share Option Scheme of the Company. All of the options granted and outstanding as at 30 June 2008 are governed by the terms of the Share Option Scheme as stated herein and further detailed in the Prospectus. None of the options granted under the Share Option Scheme were exercised during the period under review.

During the six months ended 30 June 2008, movements of share options granted to the directors, chief executive and employees of the Group under the Share Option Scheme were as follows:

	Date of option granted	Exercise price per share HK$	No. of options outstanding as at 1 January 2008	No. of options granted during the period	No. of options exercised during the period	No. of options lapsed during the period	No. of options outstanding as at 30 June 2008
Directors							
LI Ming	8 Oct 2007	7.70	4,280,000	—	—	—	4,280,000
LIANG Yanfeng	8 Oct 2007	7.70	1,430,000	—	—	—	1,430,000
CHEN Runfu	8 Oct 2007	7.70	1,710,000	—	—	—	1,710,000
TSANG Hing Lun	24 Jan 2008	7.70	—	200,000	—	—	200,000
GU Yunchang	24 Jan 2008	7.70	—	200,000	—	—	200,000
HAN Xiaojing	24 Jan 2008	7.70	—	200,000	—	—	200,000
ZHAO Kang	24 Jan 2008	7.70	—	200,000	—	—	200,000
			7,420,000	800,000	—	—	8,220,000
Employees							
	28 Sept 2007	7.70	62,400,000	—	—	(1,740,000)	60,660,000
	24 Jan 2008	7.70	—	10,060,000	—	(200,000)	9,860,000
			62,400,000	10,060,000	—	(1,940,000)	70,520,000
Total			**69,820,000**	**10,860,000**	**—**	**(1,940,000)**	**78,740,000**

Corporate Governance and Other Information

The fair value of 10,860,000 share options granted during the period with an exercise price per share of HK$7.70 is estimated at HK$2.90 using the Binomial Lattice Model and assuming that:

(i) the volatility is 47.15%;

(ii) the expected dividend yield is 1.38%;

(iii) the annual risk-free interest rate is 2.068% from the date of granting the share options; and

(iv) the expected life of the option is up to 23 January 2013.

Notes:

(i) The share options granted during the period are exercisable within a five year period in which 40% of options become exercisable one year from the grant date, 70% of options become exercisable two years from the grant date, and all options become exercisable three years from the grant date.

(ii) The closing price per share on 23 January 2008 (being the day immediately before the options were granted) was HK$7.56.

Purchase, Sale or Redemption of the Company's Listed Securities

In June 2008, the Company repurchased a total of 2,369,000 ordinary shares of HK$0.80 each of the Company at a price ranging from HK$4.36 to HK$5.11 per share on the Stock Exchange. The repurchases involved a total cash outlay of HK$11,248,319. All of these repurchased ordinary shares were subsequently cancelled in July 2008 following the end of the period under review, and the par value of the issued share capital of the Company was reduced by HK$1,895,200. The above repurchases were effected by the Directors pursuant to the mandate granted by shareholders in the Company's 2007 Annual General Meeting, with a view to benefiting shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2008.

Redemption of Pulida Convertible Bond

Prior to the Company's listing on the Stock Exchange on 28 September 2007, the Company issued the HK$1.575 billion 3% convertible bond (the "Pulida Convertible Bond") to Upper Able Holdings Limited (the "Subscriber"), the principal terms of which are set out in the paragraph headed "Business — Principal Terms and Conditions of the Pulida Convertible Bond" of the Prospectus.

As announced by the Company on 5 May 2008, the Company and the Subscriber entered into a supplemental deed (the "Supplemental Deed") to amend certain terms and conditions of the Pulida Convertible Bond, pursuant to which on 5 May 2008 the Company served a notice of redemption to partially redeem the Pulida Convertible Bond in the principal amount of HK$780 million at a redemption price of HK$756.6 million. HK$390 million of the redemption price was paid on the date of the Supplemental Deed and the balance of HK$366.6 million of the redemption price will be paid on any day on or before 31 December 2008 at such amount and payment installments to be determined by the Company at its sole discretion. Details of this redemption were set out in the announcement of the Company dated 5 May 2008.

As a result of the redemption, the outstanding principal amount of the Pulida Convertible Bond as at 30 June 2008 was HK$795 million.

Details of this redemption and other movements in the Pulida Convertible Bond are set out in Note 11(b) to the financial statements.

Review of Interim Results

The unaudited interim results for the six months ended 30 June 2008 have been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 59.

Audit Committee

The Audit Committee consists of three independent non-executive directors of the Company, namely Mr. TSANG Hing Lun (the chairman of the committee), Mr. GU Yunchang and Mr. HAN Xiaojing. The Audit Committee met on 22 February 2008 and 5 September 2008 and reviewed the systems of internal control, compliance and interim report of the group for the six months ended 30 June 2008 with senior management and external auditors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises three members, all being independent non-executive directors, namely, Mr. Han Xiaojing, Mr. Gu Yunchang and Mr. Zhao Kang. Mr. Han Xiaojing is the chairman of the Remuneration and Nomination Committee. The main duties of the Remuneration and Nomination Committee are to make recommendations and proposals to the Board of Directors in respect of the remuneration policies and structures for the directors and senior management, and to review and approve the remunerations which are determined based on the results and performance of the Company with reference to the Company's objectives approved from time-to-time by the Board of Directors. In addition, the Remuneration and Nomination Committee will also nominate the candidates for directorship, consider director nominations for directorship and make recommendations to the Board of Directors in respect of such appointments. If necessary, the Remuneration and Nomination Committee will also convene meetings and submit reports to the Board of Directors.

Code on Corporate Governance Practices

In the opinion of the Board, the Company has complied with the provisions of the Code on Corporate Governance Practices (the "CG code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2008, except for the deviation from the CG Code provision A.4.1 with the explanation as below:

Three non-executive directors and four independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. According to Article 110 of Articles of Association of the Company, one-third of the directors for the time being, or if their number is not three or a multiple of three, the number which is nearest to one-third and is at least one-third, shall retire from office by rotation at least once every three years. A retiring director shall be eligible for re-election. Therefore, the Board considers that non-compliance with CG Code A.4.1 is acceptable since, with at least one-third of all directors being subject to retirement at every annual general meeting, all of them should retire by rotation at least once every three years so as to comply with Code A.4.2 of the CG Code.

Model Code for Securities Transactions by Directors of Listed Issuers

The Group has adopted a code of conduct regarding directors' securities transactions (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code in Appendix 10 of the Listing Rules. The Company has made specific enquiries with all the directors of the Company and each of them has confirmed that he or she has complied with all the required standards set out in the Code of Conduct.

Corporate Governance and Other Information

Investor Relations

Communication with Shareholders

The capital market requires greater transparency and consistency of public companies in communicating and disclosing information that shareholders need to know. We have therefore endeavoured to update our shareholders on the Group's performance, and to ensure that they have the opportunities to offer their views on that performance. Communication with our shareholders is a two-way process. In the first half of 2008, our efforts involved:

Providing updates

to our shareholders and other investors through the following channels:

— Announcements and circulars published on the website of The Stock Exchange of Hong Kong Limited and/or dispatched to shareholders pursuant to the requirements of the Listing Rules;

— Our Annual Report and newsletters;

— Our annual general meeting, attended by top management representatives and directors;

— Investor conferences and meetings, including participation in six investor conferences and meeting with over 300 funds by our management representatives;

— The Sino-Ocean Land website. In order to provide the public with more information, we are now revamping our website (www.sinooceanland.com), where information on the Group's corporate governance principles, updates on the Group's development and other information will be available.

Encouraging feedback

from our shareholders and other investors through channels such as:

— Face-to-face dialogue, including the "Question & Answer" session at our annual general meeting.

— Email contacts with shareholders. We also reply to email enquiries from shareholders directly. If those queries raise a matter of general interest to shareholders, we would seek to address it in subsequent corporate communications to all our shareholders.

— Site visits. In the six months under review, we have organized approximately 110 site visits for our shareholders and investors to view our projects in six different cities.

We are grateful to all those shareholders who offered us support and provided us with feedback during this challenging time for the PRC real estate industry. If any shareholder has questions or comments on what we are doing, please contact us at ir@sinooceanland.com. We promise to provide answers (and post them on our website if we think they will be of wider interest to our shareholders and other investors) to the extent permitted by applicable laws, regulations and the Listing Rules. In the case of comments, we will take your views into account and act upon them if this will improve our performance.

High-end

FINANCIAL REPORT

Condensed Consolidated Balance Sheet

	Note	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	**312,275**	292,579
Land use rights	5	**36,530**	36,947
Investment properties		**1,984,000**	1,984,000
Goodwill		**749,134**	756,796
Interest in a jointly controlled entity		**—**	54
Interests in associates		**312,393**	327,056
Available-for-sale financial assets	6	**434,705**	67,487
Derivative financial instrument	11	**27,231**	—
Trade and other receivables	7	**233,771**	602,920
Deferred income tax assets		**93,629**	101,942
		4,183,668	4,169,781
Current assets			
Properties under development		**15,728,081**	13,002,533
Land under development		**1,802,350**	2,994,646
Inventories, at cost		**127,951**	1,506
Deposits for land use rights		**5,389,094**	5,579,771
Trade and other receivables	7	**1,214,643**	934,529
Completed properties held for sale		**2,871,653**	1,734,680
Restricted bank deposits		**1,209,259**	879,632
Cash and cash equivalents		**6,722,583**	8,468,815
		35,065,614	33,596,112
Total assets		**39,249,282**	37,765,893
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital and premium	8	**14,181,131**	14,191,020
Other reserves		**(368,162)**	(399,126)
Retained earnings			
– Proposed dividend		**117,984**	502,907
– Others		**1,951,527**	1,529,408
		15,882,480	15,824,209
Minority interests		**902,410**	1,054,110
Total equity		**16,784,890**	16,878,319

	Note	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Preference shares of a subsidiary	9	**—**	144,796
Long term borrowings	10	**8,626,369**	8,002,777
Derivative financial instrument	11	**4,485**	157,877
Deferred income tax liabilities		**780,580**	773,306
		9,411,434	9,078,756
Current liabilities			
Short term borrowings	10	**1,086,000**	1,095,850
Current portion of long term borrowings	10	**3,801,156**	2,185,484
Trade and other payables	12	**4,857,396**	4,583,643
Advances from customers		**2,305,565**	3,011,555
Current income tax liabilities		**997,241**	931,926
Dividend payable		**5,600**	360
		13,052,958	11,808,818
Total liabilities		**22,464,392**	20,887,574
Total equity and liabilities		**39,249,282**	37,765,893
Net current assets		**22,012,656**	21,787,294
Total assets less current liabilities		**26,196,324**	25,957,075

The notes on pages 40 to 58 form an integral part of this condensed consolidated interim financial information.

FINANCIAL REPORT

Condensed Consolidated Income Statement – Unaudited

	Note	Six months ended 30 June 2008 RMB'000	2007 RMB'000
Revenue	4	**3,246,973**	1,827,563
Cost of sales	14	**(1,834,866)**	(1,320,969)
Gross profit		**1,412,107**	506,594
Other income		**115,477**	20,566
Other gains – net	13	**96,297**	24,231
Gain on disposal of a jointly controlled entity		**—**	909,690
Fair value gain on investment properties		**—**	343,000
Selling and marketing costs	14	**(103,917)**	(39,989)
Administrative expenses	14	**(198,087)**	(88,291)
Operating profit		**1,321,877**	1,675,801
Fair value gain on convertible bonds	11	**72,586**	—
Finance costs	15	**(60,248)**	(79,814)
Share of loss of a jointly controlled entity		**(54)**	—
Share of (loss)/profits of associates		**(832)**	476
Profit before income tax		**1,333,329**	1,596,463
Income tax expense	16	**(750,420)**	(507,061)
Profit for the period		**582,909**	1,089,402
Attributable to:			
Equity holders of the Company		**541,769**	1,037,811
Minority interests		**41,140**	51,591
		582,909	1,089,402
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RMB) – basic and diluted	17	**0.12**	0.35
Interim dividends	18	**117,984**	—

The notes on page 40 to 58 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Attributable to the equity holders of the Company						
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Minority interests RMB'000	Total equity RMB'000
Balance at 1 January 2007	2,400,750	—	499,157	625,718	3,525,625	541,280	4,066,905
Fair value gains on available-for-sale financial assets	—	—	904	—	904	—	904
Net income recognised directly in equity	—	—	904	—	904	—	904
Profit for the period	—	—	—	1,037,811	1,037,811	51,591	1,089,402
Total recognised income for the period ended 30 June 2007	—	—	904	1,037,811	1,038,715	51,591	1,090,306
Dividend relating to 2006	—	—	—	(247,657)	(247,657)	(18,161)	(265,818)
Increase/(decrease) in minority interests as a result of:							
- acquisition of additional interests in a subsidiary	—	—	—	—	—	(116,068)	(116,068)
- contribution from minority shareholders	—	—	—	—	—	8,659	8,659
- acquisition of a subsidiary	—	—	—	—	—	18,103	18,103
- disposal of a subsidiary	—	—	—	—	—	(104,468)	(104,468)
	—	—	904	790,154	791,058	(160,344)	630,714
Balance at 30 June 2007	2,400,750	—	500,061	1,415,872	4,316,683	380,936	4,697,619

FINANCIAL REPORT

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Attributable to the equity holders of the Company						
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Minority interests RMB'000	Total equity RMB'000
Balance at 1 January 2008	3,471,022	10,719,998	(399,126)	2,032,315	15,824,209	1,054,110	16,878,319
Fair value losses on available-for-sale financial assets	—	—	(11,758)	—	(11,758)	—	(11,758)
Currency translation differences	—	—	(19,625)	—	(19,625)	—	(19,625)
Net loss recognised directly in equity	—	—	(31,383)	—	(31,383)	—	(31,383)
Profit for the period	—	—	—	541,769	541,769	41,140	582,909
Total recognised income and expenses for the period ended 30 June 2008	—	—	(31,383)	541,769	510,386	41,140	551,526
Dividend relating to 2007	—	—	—	(502,907)	(502,907)	(6,000)	(508,907)
Share buybacks	(1,666)	(8,223)	1,666	(1,666)	(9,889)	—	(9,889)
Fair value reserve on employee share option plan	—	—	60,681	—	60,681	—	60,681
Decrease in minority interests as a result of acquisition of additional interests in subsidiaries from minority shareholders	—	—	—	—	—	(186,840)	(186,840)
	(1,666)	(8,223)	30,964	37,196	58,271	(151,700)	(93,429)
Balance at 30 June 2008	3,469,356	10,711,775	(368,162)	2,069,511	15,882,480	902,410	16,784,890

The notes on page 40 to 58 form an integral part of this condensed consolidated interim financial information.

FINANCIAL REPORT

Condensed Consolidated Cash Flow Statement – Unaudited

	Six months ended 30 June	
	2008 **RMB'000**	2007 RMB'000
Net cash used in operating activities	**(2,765,329)**	(2,468,647)
Net cash used in investing activities	**(641,368)**	(62,600)
Net cash generated from financing activities	**1,671,760**	2,084,425
Net decrease in cash and cash equivalents	**(1,734,937)**	(446,822)
Cash and cash equivalents at beginning of the period	**8,468,815**	2,580,157
Exchange losses on cash and cash equivalents	**(11,295)**	(5,149)
Cash and cash equivalents at end of the period	**6,722,583**	2,128,186

The notes on page 40 to 58 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 General information

The Company was incorporated in Hong Kong on 12 March 2007 with limited liability under the Hong Kong Companies Ordinance. The address of its registered office is Suite 1512, One Pacific Place, 88 Queensway, Hong Kong. The Group are principally engaged in investment holding, property development and property investment in the People's Republic of China (the "PRC").

The Company's shares were listed on the Stock Exchange on 28 September 2007.

This condensed consolidated interim financial information was approved by the board of directors for issue on 9 September 2008.

2 Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with HKFRSs.

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Notes to the Condensed Consolidated Interim Financial Information

3 Significant accounting policies

Excepted as described below, the accounting policies adopted are consistent with those used in the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) The following new standards, amendments to standards or interpretations are mandatory for the first time for financial year beginning 1 January 2008.

HK(IFRIC) – Int 11, HKFRS 2 – 'Group and treasury share transactions', was early adopted in 2007. HK(IFRIC) – Int 11 provides guidance on whether share-based transactions involving treasury shares or involving Group entities should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and Group entities.

HK(IFRIC) – Int 12, 'Service concession arrangements'. As none of the Group entities provides for public sector service, HK(IFRIC) – Int 12 is not relevant to the Group's operation.

HK(IFRIC) - Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction´. As none of the Group entities has any defined benefit scheme, HK(IFRIC) – Int 14 provides guidance on whether refunds or reductions in future contributions should be regarded as available. HK(IFRIC) – Int 14 do not have any significant impact on the Group's condensed consolidated interim financial information.

(b) The following new amendment to the standard has been issued, is not effective for financial year beginning 1 January 2008, but was early adopted by the Group.

HKAS 23 (Revised), ´Borrowing costs´, (effective for periods on or after 1 January 2009). The current HKAS 23 provides management with a policy choice of either capitalizing borrowing costs relating to qualifying assets or expensing the borrowing costs. HKAS 23 (Revised) removes this option and requires management to capitalize borrowing costs attributable to qualifying assets. Since the Group has chosen to capitalize borrowing costs relating to qualifying assets. HKAS 23 (Revised) is not expected to have any significant impact on the Group's condensed consolidated interim financial information.

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Notes to the Condensed Consolidated Interim Financial Information

3 Significant accounting policies *(Continued)*

(c) The following new standards, amendments to standards or interpretations have been issued but are not effective for financial year beginning 1 January 2008 and have not been early adopted.

HKFRS 8, ´Operating segments´, effective for periods on or after 1 January 2009. HKFRS 8 replaces HKAS 14, "Segment reporting", and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by the management, it is not expected to have material impact.

HKAS 1 (revised 2007), 'Presentation of Financial Statements', effective for periods on or after 1 January 2009. The Group will apply HKAS 1 from 1 January 2009.

HKFRS 2 (amendment) 'Share-based payment', effective for annual periods beginning on or after 1 January 2009. The expected impact is still being assessed in detail by the management, it is not expected to have material impact.

HKFRS 3 (amendment), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation, jointly controlled entities and associates of the Group.

HKAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to HKAS 1, 'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group, as the Group does not have any puttable instruments.

HK(IFRIC) - Int 13, 'Customer loyalty programmes', effective for periods on or after 1 July 2008. This is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

4 Revenue and segment information

At 30 June 2008, the Group has categorised its businesses into the following segments:

(i) property development;

(ii) property investment;

(iii) other operations of the Group mainly comprised of property management, hotel and upfitting service. None of these constitutes a separately reportable segment.

FINANCIAL REPORT

Notes to the Condensed Consolidated Interim Financial Information

4 Revenue and segment information *(Continued)*

The segment results and other segment items included in the income statement, capital expenditure, the segment assets and liabilities as at 30 June 2008 are as follows:

	Unaudited			
	Property development RMB'000	Property investment RMB'000	Others RMB'000	Total RMB'000
Total segment revenue	3,022,146	56,714	249,084	3,327,944
Inter-segment revenue	(1,322)	(206)	(79,443)	(80,971)
Revenue	3,020,824	56,508	169,641	3,246,973
Segment results	1,366,015	44,225	(12,808)	1,397,432
Unallocated				(75,555)
Operating profit				1,321,877
Fair value gain on convertible bonds				72,586
Finance costs (Note 15)				(60,248)
Share of loss of a jointly controlled entity				(54)
Share of loss of an associate				(832)
Profit before income tax				1,333,329
Income tax expense (Note 16)				(750,420)
Profit for the period				582,909
Segment assets	36,253,838	2,038,105	551,317	38,843,260
An associate	312,393	—	—	312,393
Deferred income tax assets				93,629
Total assets				39,249,282
Segment liabilities	8,468,263	50,688	292,422	8,811,373
Deferred income tax liabilities				780,580
Unallocated				12,872,439
Total liabilities				22,464,392
Other segment items				
Depreciation	4,412	201	3,154	7,767
Amortization of land use rights	1,722	—	355	2,077
Capital expenditure	15,055	—	9,094	24,149

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Notes to the Condensed Consolidated Interim Financial Information

4 Revenue and segment information *(Continued)*

The segment results and other segment items included in the income statement and capital expenditure for the six months ended 30 June 2007 and the segment assets and liabilities as at 31 December 2007 are as follows:

	Property development RMB'000	Property investment RMB'000	Others RMB'000	Total RMB'000
Total segment revenue	1,700,802	33,041	114,021	1,847,864
Inter-segment revenue	—	—	(20,301)	(20,301)
Revenue	1,700,802	33,041	93,720	1,827,563
Segment results	431,657	30,774	17,480	479,911
Gain on disposal of a jointly controlled entity	909,690	—	—	909,690
Fair value gain on investment properties	—	343,000	—	343,000
Unallocated				(56,800)
Operating profit				1,675,801
Finance costs (Note 15)				(79,814)
Share of profits of associates				476
Profit before income tax				1,596,463
Income tax expense (Note 16)				(507,061)
Profit for the period				1,089,402
Segment assets	35,153,586	2,034,728	148,527	37,336,841
A jointly controlled entity	54	—	—	54
Associates	313,226	—	13,830	327,056
Deferred income tax assets				101,942
Total assets				37,765,893
Segment liabilities	9,930,229	37,464	107,364	10,075,057
Deferred income tax liabilities				773,306
Unallocated				10,039,211
Total liabilities				20,887,574
Other segment items				
Depreciation	2,160	244	3,248	5,652
Amortization of land use rights	1,505	—	235	1,740
Provision for impairment of trade and other receivables	—	—	607	607
Capital expenditure	7,111	24	17,259	24,394

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Notes to the Condensed Consolidated Interim Financial Information

5 Capital expenditure

	Unaudited	
	Property, plant and equipment RMB'000	**Land use rights RMB'000**
Opening net book amount as at 1 January 2008	**292,579**	**36,947**
Additions	**17,912**	**—**
Addition in construction in progress	**6,237**	**—**
Acquisition of a subsidiary	**4,876**	**—**
Disposals	**(1,562)**	**—**
Depreciation/amortization and impairment charged to expense	**(7,767)**	**(417)**
Closing net book amount as at 30 June 2008	**312,275**	**36,530**
Opening net book amount as at 1 January 2007	265,837	37,674
Additions	5,900	—
Acquisition of subsidiaries	18,494	—
Disposals	(3,382)	—
Deemed disposals of a subsidiary	(1,484)	—
Depreciation/amortization charged to expense	(5,652)	(235)
Closing net book amount as at 30 June 2007	279,713	37,439

Hotel property for the value of RMB170,855,000 and RMB170,855,000, building for the value of RMB78,130,000 and RMB78,130,000 and all land use rights were pledged as collateral for the Group's borrowings as at 30 June 2008 and 31 December 2007 respectively.

6 Available for sale financial assets

On 31 March 2008, SOL Investment Fund ("SOL Fund") Limited, a special purpose entity of the Group, was incorporated in and under the laws of the Cayman Islands, with the purpose to carry out investment activities for the Group. An initial investment amount of HKD780,000,000 was placed into SOL Fund. On 5 May 2008, HKD348,953,000 of investment units was disposed, resulting in a realized gain of HKD1,047,000.

Available for sale financial assets of the Group also include certain unlisted equity securities, all denominated in RMB.

FINANCIAL REPORT

Notes to the Condensed Consolidated Interim Financial Information

7 Trade and other receivables

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Trade receivables	**129,664**	53,376
Less: provision for impairment of receivables	**(5,420)**	(2,446)
Trade receivables - net (a)	**124,244**	50,930
Prepayments for acquisition	**—**	315,400
Prepaid tax - income tax	**73,655**	52,035
Prepaid tax - others	**106,771**	149,780
Entrusted loan to a third party	**130,000**	130,000
Entrusted loan to a jointly controlled entity (b)	**234,640**	545,400
Entrusted loan to an associate (b)	**253,800**	5,000
Notes receivables (Note 11(a))	**179,731**	—
Other prepayments	**92,503**	97,635
Other receivables	**253,070**	191,269
	1,448,414	1,537,449
Less: non-current portion	**(233,771)**	(602,920)
Current portion	**1,214,643**	934,529

(a) Ageing analysis of trade receivables at the respective balance sheet dates are as follows:

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Less than 6 months	**88,304**	35,247
6 months to 1 year	**32,105**	14,012
1 year to 2 years	**3,290**	1,144
2 years to 3 years	**545**	527
	124,244	50,930

(b) For the six months ended 30 June 2008, entrusted loans to a jointly controlled entity and an associate are unsecured, interest bearing at rates ranging from 7.29% to 8.22% (for the year ended 31 December 2007: 6.73% to 7.29%) and are repayable before 30 April 2009.

FINANCIAL REPORT

Notes to the Condensed Consolidated Interim Financial Information

8 Share capital

	Number of ordinary shares of HKD 0.8 each	Nominal value of ordinary shares HK $'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Opening balance 1 January 2008	**4,475,540,000**	**3,580,432**	**3,471,022**	**10,719,998**	**14,191,020**
Share buybacks	**(2,369,000)**	**(1,895)**	**(1,666)**	**(8,223)**	**(9,889)**
At 30 June 2008	**4,473,171,000**	**3,578,537**	**3,469,356**	**10,711,775**	**14,181,131**
Opening balance 12 March 2007 (date of incorporation)	1	—	—	—	—
Issue of shares arising from re-organization	2,474,999,999	2,479,999	2,400,750	—	2,400,750
At 30 June 2007 (a)	2,475,000,000	2,479,999	2,400,750	—	2,400,750

(a) Pursuant to the capital adjustment and re-designation as passed on 31 August 2007, total number of issued share capital was altered from 2,475,000,000 to 2,970,000,000 (note 17). Details of the capital adjustment and re-designation as mentioned above were set out in the Annual Report of the Company dated 27 March 2008.

9 Preference shares of subsidiary

The preference shares were issued by Tak Shing International Investment Limited ("Tak Shing"), a subsidiary of the Group. According to the subscription and shareholders' agreement between the preference shareholder and Tech Power International Investment Limited ("Tech Power"), the immediate holding company of Tak Shing, the preference shareholder has the right to request Tech Power to acquire certain amount of preference shares from the preference shareholder. On 4 February 2008, the preference shareholder had exercised such right and Tech Power acquired all of the preference shares accordingly.

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Notes to the Condensed Consolidated Interim Financial Information

10 Borrowings

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Bank borrowings		
– secured (a) (i)	**3,905,000**	3,530,000
– unsecured	**7,380,000**	5,063,740
	11,285,000	8,593,740
Other borrowings		
– unsecured	**456,156**	191,744
	456,156	191,744
Convertible bonds (Note 11(b))	**686,369**	1,402,777
Less: Amounts due within one year	**(3,801,156)**	(2,185,484)
Total non-current borrowings	**8,626,369**	8,002,777
Borrowings included in current liabilities:		
Current portion of long-term bank borrowings		
– secured (a) (i)	**1,145,000**	660,000
– unsecured	**2,200,000**	1,525,484
	3,345,000	2,185,484
Current portion of long term other borrowings		
– unsecured	**456,156**	—
	456,156	—
Short-term bank borrowings		
– secured (a) (ii)	**200,000**	800,000
– unsecured	**886,000**	295,850
	1,086,000	1,095,850
Total current borrowings	**4,887,156**	3,281,334
Total borrowings	**13,513,525**	11,284,111

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Notes to the Condensed Consolidated Interim Financial Information

10 Borrowings *(Continued)*

Movements in borrowings are analysed as follows:

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
At beginning of the period	**11,284,111**	6,956,557
New bank loans raised	**4,319,947**	5,753,163
Repayment of bank loans	**(1,374,125)**	(3,881,941)
Bond redemption (Note 11(b))	**(716,408)**	—
At end of the period	**13,513,525**	8,827,779

(a) Details of the securities of the Group's borrowings are as follows:

(i) As at 30 June 2008 and 31 December 2007, long-term bank borrowings amounting to RMB3,905,000,000 and RMB3,530,000,000 respectively were secured by properties under development, land use rights (Note 5), property, plant and equipment (Note 5) and investment properties of the Group.

(ii) As at 30 June 2008 and 31 December 2007, short-term bank borrowings amounting to RMB200,000,000 and RMB800,000,000 respectively were secured by the properties under development, completed properties held for sale, land use rights (Note 5) and property, plant and equipment (Note 5) of the Group.

11 Derivative financial instrument

(a) Notes receivables

On 8 January 2008, the Group subscribed notes receivables with an aggregate principal amount of USD 30 million (the "Notes") from an independent third party.

The Notes will be converted into shares of the issuer, at a conversion price that is calculated based on the terms as predetermined in the Notes, should the issuer successfully go on its initial public offering within 36 months from the subscription date.

At any time after the 36th month from the subscription date, should the issuer failed to go on its initial public offering, the Group has an option to elect to receive USD 30 million in cash, with respective interest calculated at a rate as predetermined in the Notes.

11 Derivative financial instrument *(Continued)*

(b) Convertible bonds

On 7 September 2007, the Group issued 3% coupon convertible bonds with an aggregate principal amount of HKD 1,575 million (the "Bonds"). Holders of the Bonds have the option to convert the bonds into shares of the Company of HKD0.80 each at a conversion price of HKD12.50 per share from the date of issue through maturity on 6 September 2009.

At any time prior to the maturity date, the Group may, redeem all and not some only of the Bonds at a redemption price as defined in the convertible agreement, if the average closing price of the Group's shares for the last three consecutive trading days of the six months following the listing of the Group's shares be above HKD12.50.

At any time prior to the maturity date, the Group may also notify the holders of the Bonds in writing on the immediate following trading day that the conversion shall be exercised, if the Group's shares closes above HKD13.5 per share for three consecutive trading days. Upon receipt of the Group's written notice, holders of the Bonds shall within five working days convert all of the Bonds, or elect to receive HKD1,575 million in cash.

On 5 May 2008, the Group entered into an amendment agreement with the holders of the Bonds, allowing the Group to redeem at a maximum HKD780,000,000 of the convertible bonds, with considerations amounted to 97% of the principal amount of the redemption portion. Such additional option expired on 31 May 2008.

On 5 May 2008, the Group exercised the aforementioned additional option, and redeemed HKD780,000,000 of the convertible bond at a price of HKD756,600,000, equals to 97% of the principle amount of the redeemed portion.

As the functional currency of the bond issuing entity is RMB, the conversion option of the Bonds denominated in HK dollar will not result in settlement by the exchange of a fixed amount of cash for a fixed number of equity instruments. The conversion option is therefore accounted for as an embedded derivative financial instrument carried at fair value through profit or loss.

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Notes to the Condensed Consolidated Interim Financial Information

12 Trade and other payables

Trade and other payables mainly comprise trade payables, accrued construction costs and provision for guarantee liabilities.

The ageing analysis of the trade payables was as follows:

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Less than 6 months	**316,967**	1,710,168
6 months to 12 months	**1,302,638**	251,122
1 year to 2 years	**27,473**	9,599
2 years to 3 years	**48,276**	32,494
Over 3 years	**3,398**	2,774
	1,698,752	2,006,157

13 Other gains – net

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Gain on deemed disposal of a subsidiary	**—**	15,606
Gain on acquisition of additional interests in subsidiaries from minority shareholders	**35,384**	—
Gain on early redemption of convertible bonds (Note 11(b))	**77,816**	—
Negative goodwill from acquisition of a subsidiary	**2,999**	—
(Loss)/Gain on disposal of property, plant and equipment	**(77)**	147
Exchange (losses)/gains	**(19,825)**	8,478
	96,297	24,231

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Notes to the Condensed Consolidated Interim Financial Information

14 Expenses by nature

Expenses by nature comprised cost of sales, selling and marketing costs and administrative expenses, as follows:

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Cost of properties and land use rights sold:		
– Land use rights	**109,933**	92,801
– Capitalized interest	**54,308**	14,022
– Construction related cost	**1,346,645**	1,053,637
Cost of upfitting services rendered	**69,028**	—
Direct investment property expenses	**8,016**	2,935
Employee benefit expense	**134,914**	57,523
Consultancy fee	**23,244**	15,263
Depreciation	**7,767**	5,652
Amortization of land use rights	**2,077**	1,740
Advertising and marketing	**90,270**	37,086
Business taxes and other levies	**177,095**	97,018
Impairment for trade and other receivables	**—**	607
Office expenditure	**35,465**	24,583
Properties maintenance expenses	**9,586**	4,611
Energy expenses	**11,599**	4,818
Others	**56,923**	36,953
	2,136,870	1,449,249

15 Finance costs

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Interest expense on borrowings		
– wholly repayable within five years	**439,456**	270,962
Interest expense on convertible bonds	**37,382**	—
Interest expense on preference shares	**3,882**	—
Less: interest capitalized at a capitalization rate of 7.74% (2007:6.98%) per annum	**(420,472)**	(191,148)
	60,248	79,814

16 Income tax expense

Vast majority of the group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 33% of the assessable income of each of these group entities for the year ended 31 December 2007 as determined in accordance with the relevant PRC income tax rules and regulations. Other companies are subjected to Hong Kong profits tax.

On 16 March 2007, the National People's Congress of the PRC approved the Corporate Income Tax Law of the PRC, which changed the income tax rate applicable to all PRC enterprise to 25% effective as of 1 January 2008. Therefore, PRC enterprise income tax was provided based on the statuary income tax rate of the assessable income of each of these group entities for the six months ended 30 June 2008.

The amount of income tax expense charged to the combined income statements represents:

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Current income tax:		
– PRC enterprise income tax	**427,114**	422,057
– PRC land appreciation tax	**307,719**	29,552
Deferred tax	**15,587**	55,452
	750,420	507,061

17 Earnings per share

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

The company has two categories of dilutive potential ordinary shares: share options and convertible bonds. The dilutive effect of these dilutive potential ordering ordinary shares is not considered, as the average market price of the Company's shares in the current period is lower than the exercise and conversion price.

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Profit attributable to equity holders of the Company	**541,769**	1,037,811
Weighted average number of ordinary shares in issue (thousands)	**4,475,510**	2,970,000
Basic earnings per share (RMB per share)	**0.12**	0.35

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Notes to the Condensed Consolidated Interim Financial Information

18 Dividends

On 9 September 2008, the Board has resolved to declare an interim dividend of RMB117,984,000 for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
2007 Final dividend paid	**502,907**	—
2008 Interim dividend proposed	**117,984**	—

19 Financial guarantees

The Group had the following financial guarantees as at the end of 30 June 2008 and 31 December 2007:

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers (a)	**1,450,958**	1,731,637
Guarantees in respect of banking facilities given to an associate (b)	**—**	600,000
	1,450,958	2,331,637

(a) As at 30 June 2008 and 31 December 2007, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

(b) As at 31 December 2007, the Group has provided a guarantee in respect of banking facilities given to Beijing Central Business District Development and Construction Co., Limited, an associate of the Group in the form of restricted deposit amounting to RMB600,000,000. Such restricted deposits were released in January 2008.

20 Commitments

(a) Capital commitments

Capital commitments in respect of development costs attributable to properties under development and land use rights at the balance sheet date but not yet incurred are as follows:

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Land use rights	**4,781,303**	5,432,123
Property under development	**6,023,361**	4,800,931
Contracted but not provided for	**10,804,664**	10,233,054

(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 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
Within 1 year	**135,393**	104,993
Between 1 to 5 years	**252,480**	182,582
After 5 years	**265,626**	53,838
	653,499	341,413

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Notes to the Condensed Consolidated Interim Financial Information

21 Related party transactions

The following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the periods end 30 June 2008 and 2007:

(a) Sales of properties and services

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Provision of services:		
– COSCO Group	**2,408**	6,254
– A jointly controlled entity	**62**	2,287
	2,470	8,541

(b) Sales of a jointly controlled entity

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Sales of a jointly controlled entity:		
– Sinochem Hong Kong	**—**	954,472

(c) Purchases of services

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Purchases of services:		
– Associates	**—**	4,744
– Fellow subsidiaries	**—**	557
	—	5,301

21 Related party transactions *(Continued)*

(d) Key management compensation

	Six months ended 30 June	
	2008 **RMB'000** **(Unaudited)**	2007 RMB'000 (Unaudited)
Salaries and other short–term employee benefits	**4,195**	2,213
Post–employment benefits	**519**	238
Other long term welfare	**178**	—
	4,892	2,451

(e) Interest income and expenses

	Six months ended 30 June	
	2008 **RMB'000** **(Unaudited)**	2007 RMB'000 (Unaudited)
Interest received:		
– A jointly controlled entity	**16,882**	—
– Associates	**4,898**	175
– Fellow subsidiaries	**—**	2,375
Interest expenses:		
– Fellow subsidiaries	**—**	(10,355)
	21,780	(7,805)

(f) Loan to related parties

	As at 30 June 2008 RMB'000 (Unaudited)	As at 31 December 2007 RMB'000 (Audited)
– A jointly controlled entity	**234,640**	545,400
– Associate	**253,800**	5,000
	488,440	550,400

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Notes to the Condensed Consolidated Interim Financial Information

21 Related party transactions *(Continued)*

Subsequent to listing of the Group on 28 September 2007, COSCO Group and Sinochem Group are no longer jointly controlling the Group, and hence respective state-owned enterprises ceased to be considered as related parties of the Group.

The following is a summary of transactions with state-owned enterprises during the six months ended 30 June 2007.

(a) Purchases of services

	Six months ended 30 June 2007 RMB'000 (Unaudited)
Purchases of services:	
– State-owned enterprises	**588,346**

(b) Interest income and expenses

	Six months ended 30 June 2007 RMB'000 (Unaudited)
Interest received:	
– State-owned banks	**9,175**
Interest expenses:	
– State-owned banks	**(177,933)**
	(168,758)

22 Subsequent events

On 25 August 2008, the Company entered into a facility agreement, pursuant to which a syndicate of banks agreed to grant a 2-year term loan facility of up to USD215,000,000 to the Company to finance the general working capital requirements of the Group, including the real estate development projects of any member of the Group in the PRC.

Report on Review

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF SINO-OCEAN LAND HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 34 to 58, which comprises the condensed consolidated balance sheet of Sino-Ocean Land Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers
Certified Public Accountants

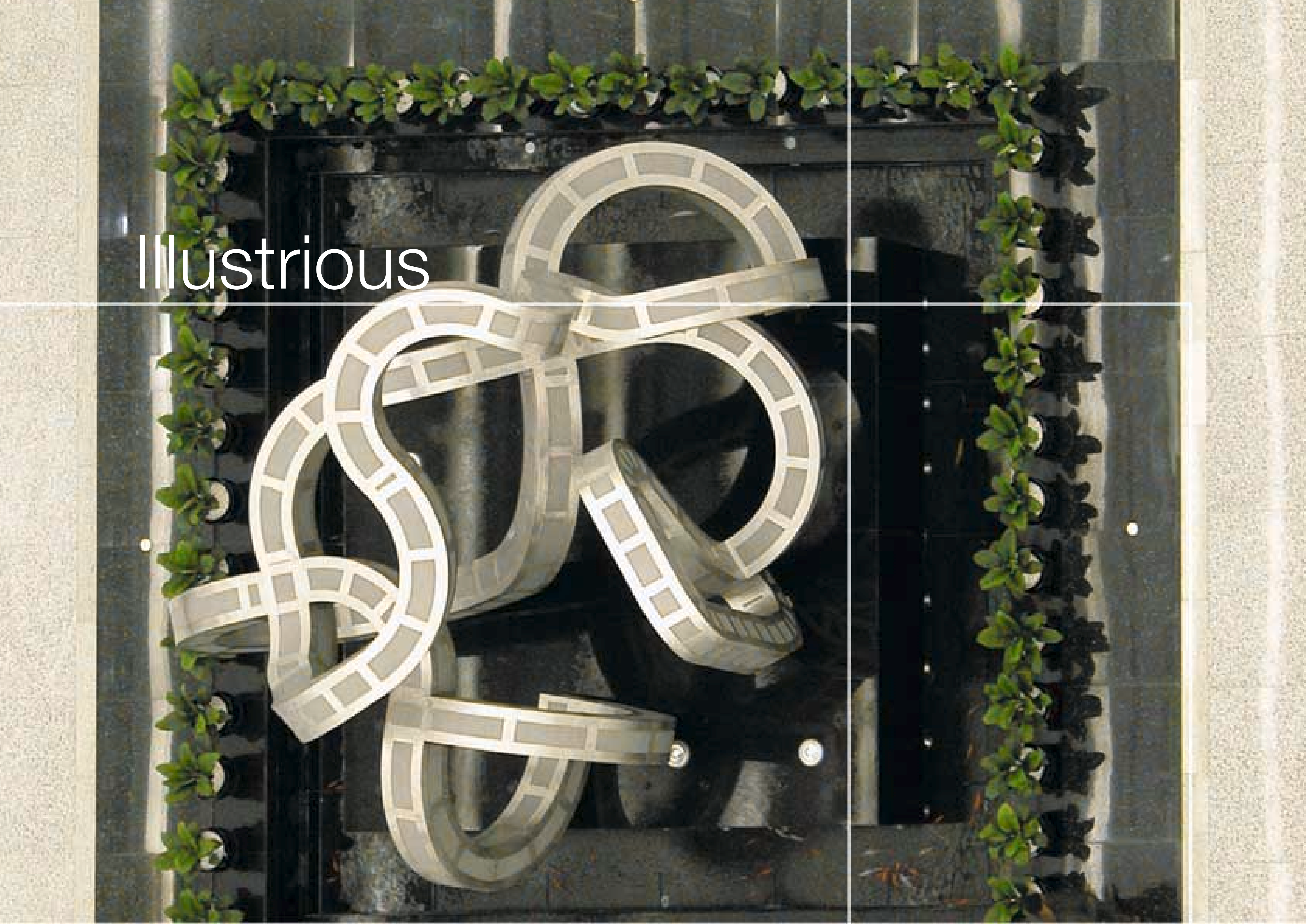
Hong Kong, China, 9 September 2008


Enterprising

Interim Dividend and Book Closure

Interim Dividend and Book Closure

The Board has declared an interim dividend of HK$0.03 per share (2007: Nil) for the six months ended 30 June 2008 to shareholders whose names appear on the Company's register of members on Friday, 26 September 2008. The register of members of the Company will be closed from Wednesday, 24 September 2008 to Friday, 26 September 2008, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents together with relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, for registration no later than Tuesday, 23 September 2008 on 4:30 p.m.. The interim dividend to shareholder will be paid on Friday, 10 October 2008.



Illustrious

Corporate Information

Directors

Mr. LI Jianhong
(Chairman and Non-Executive Director)
Mr. LUO Dongjiang
(Vice-chairman and Non-Executive Director)
Mr. LI Ming
(Executive Director and Chief Executive Officer)
Mr. LIANG Yanfeng *(Non-Executive Director)*
Mr. CHEN Runfu *(Executive Director)*
Mr. YIN Yingneng Richard *(Non-Executive Director)*
Mr. TSANG Hing Lun
(Independent Non-Executive Director)
Mr. GU Yunchang
(Independent Non-Executive Director)
Mr. HAN Xiaojing
(Independent Non-Executive Director)
Mr. ZHAO Kang *(Independent Non-Executive Director)*

Qualified Accountant

Mr. SUM Pui Ying, Adrian

Company Secretary

Mr. SUM Pui Ying, Adrian

Audit Committee

Mr. TSANG Hing Lun
Mr. GU Yunchang
Mr. HAN Xiaojing

Remuneration and Nomination Committee

Mr. HAN Xiaojing
Mr. GU Yunchang
Mr. ZHAO Kang

Investment Committee

Mr. LI Ming
Mr. CHEN Runfu
Mr. TSANG Hing Lun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang

Principal Bankers

Agricultural Bank of China
Bank of Communications Co., Ltd.
China Minsheng Banking Corp., Ltd.
China Merchants Bank Co., Ltd.
Bank of Beijing Co., Ltd
Bank of China Limited

Auditor

PricewaterhouseCoopers

Legal Advisor

Freshfields Bruckhaus Deringer

Compliance Advisor

BOCI Asia Limited

Share Registrar

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

Listing

The Company's shares are listed on
The Stock Exchange of Hong Kong Limited

Stock Code

SEHK: 03377

Registered Office

Suite 1512, One Pacific Place
88 Queensway
Hong Kong

Principal Place of Business

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