



远洋地产

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)

THE ULTIMATE
THE WILL TO CHANGE





ACTIVELY
CHANGING FOR
A BETTER FUTURE



PURSUING THE
ULTIMATE WITH A
LONG-TERM VISION

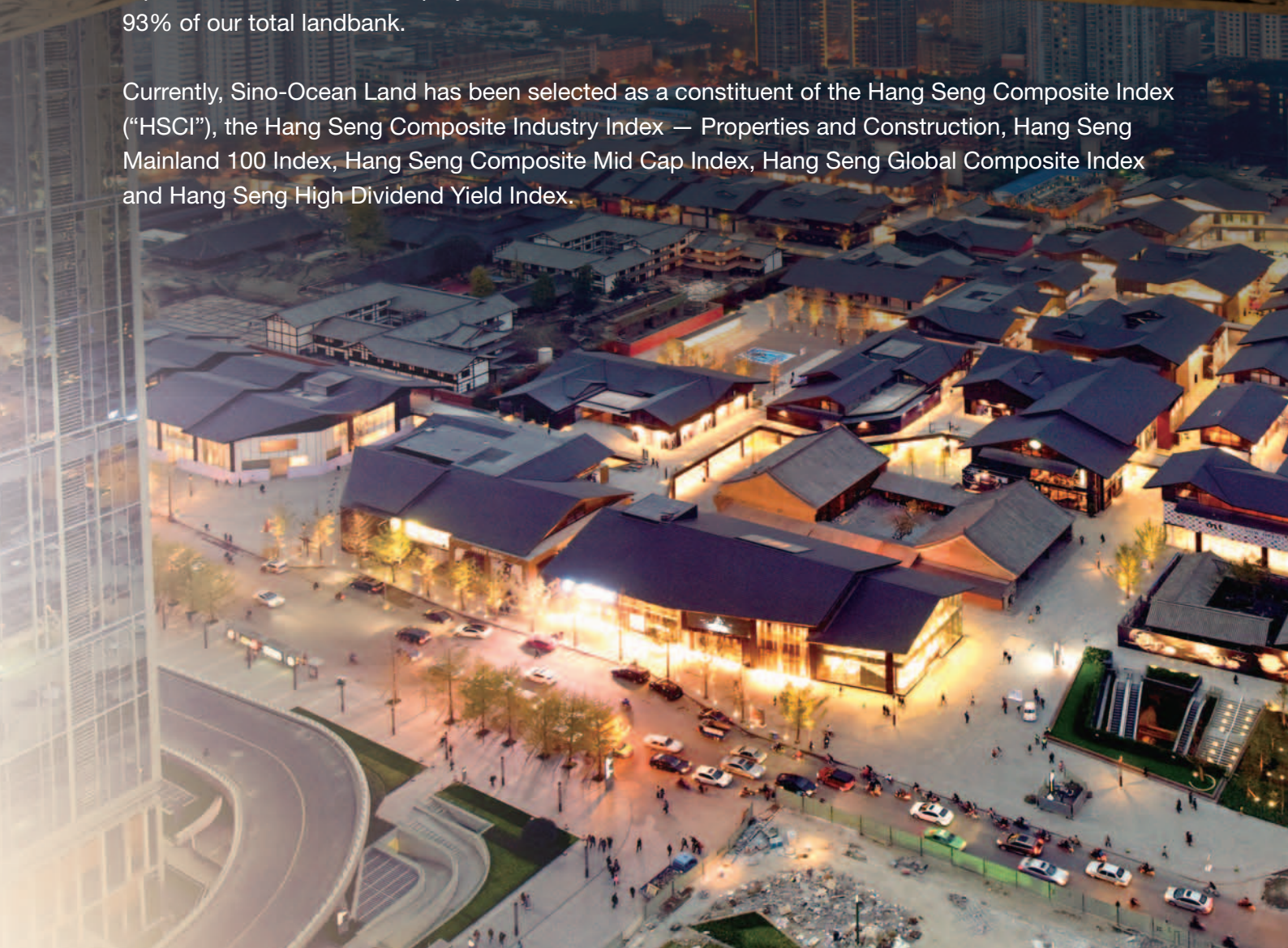


ABOUT US

Sino-Ocean Land is one of the leading property developers with developments in key economic regions in the PRC and is actively accomplishing its national strategic plan with a coastal and riparian focus. We focus on developing mid-to high-end residential properties, high-end office premises and retail properties. We have over 60 development projects in various stages of development in 19 high growth cities across the country, including Beijing and Tianjin in the Beijing-Tianjin-Hebei Region; Dalian, Shenyang and Changchun in the Northeast Region; Shanghai, Hangzhou, Nanjing, Huangshan, Qingdao and Wuhan in the Central Region; Shenzhen, Guangzhou, Zhongshan, Hong Kong, Haikou, Sanya, Chongqing and Chengdu in the Southern Region.

On the back of our dedication to providing high-quality products and professional services, Sino-Ocean Land has built up a strong brand in Beijing-Tianjin-Hebei Region, the Northeast Region, the Central Region and the Southern Region. As at 30 June 2015, we had approximately 19,983,000 sq.m. of landbank, in which projects located in first and second-tier cities accounted for about 93% of our total landbank.

Currently, Sino-Ocean Land has been selected as a constituent of the Hang Seng Composite Index (“HSCI”), the Hang Seng Composite Industry Index — Properties and Construction, Hang Seng Mainland 100 Index, Hang Seng Composite Mid Cap Index, Hang Seng Global Composite Index and Hang Seng High Dividend Yield Index.





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Sino-Ocean Land as a Nationwide Corporation, Our Project Coverage has been Extended to 19 Cities all Over The PRC.

BEIJING-TIANJIN-HEBEI REGION

Beijing, Tianjin

Total GFA: 11,373,000 sq.m.

Total remaining landbank: 7,865,000 sq.m.

No. of projects: 25

NORTHEAST REGION

Dalian, Shenyang, Changchun

Total GFA: 8,357,000 sq.m.

Total remaining landbank: 5,503,000 sq.m.

No. of projects: 10

CENTRAL REGION

Shanghai, Hangzhou, Nanjing, Huangshan, Qingdao, Wuhan

Total GFA: 3,649,000 sq.m.

Total remaining landbank: 3,039,000 sq.m.

No. of projects: 14

SOUTHERN REGION

Shenzhen, Guangzhou, Zhongshan, Hong Kong, Haikou, Sanya, Chongqing, Chengdu

Total GFA: 6,507,000 sq.m.

Total remaining landbank: 3,576,000 sq.m.

No. of projects: 15



Financial & Operation Highlights

Six months ended 30 June (unaudited)

(RMB million)	2015	2014	% changes
Contracted sales	13,807	13,228	4%
Revenue	15,107	17,840	-15%
Gross profit	3,065	3,518	-13%
Profit before income tax	3,322	3,299	1%
Profit for the period	2,191	2,341	-6%
Profit attributable to owners of the Company	2,195	2,239	-2%
Core profit	1,693	1,944	-13%
Earnings per share (RMB)			
— Basic	0.280	0.291	-4%
— Diluted	0.280	0.290	-3%
Dividend per share (HKD)	0.075	0.075	—
Dividend payout ratio (%)	21%	20%	1 pt
Gross profit margin (%)	20%	20%	—
Net profit margin (%)	15%	13%	2 pts
Saleable GFA sold ('000 sq.m.)	1,068	1,016	5%
Saleable GFA delivered ('000 sq.m.)	1,071	1,120	-4%

(RMB million)	As at 30 June 2015 (unaudited)	As at 31 December 2014 (audited)	% changes
Total assets	132,627	132,212	0.3%
Equity attributable to owners of the Company	44,310	43,024	3%
Cash resources ¹	17,436	16,336	7%
Net gearing ratio ² (%)	63%	66%	-3 pts
Landbank ('000 sq.m.)	19,983	19,880	1%

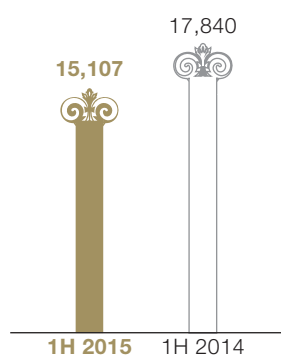
Notes:

¹ Including the restricted bank deposits

² Total borrowings minus cash resources divided by total equity

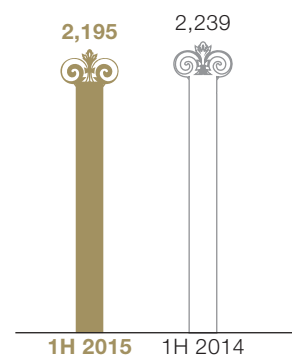
Revenue

(RMB million)



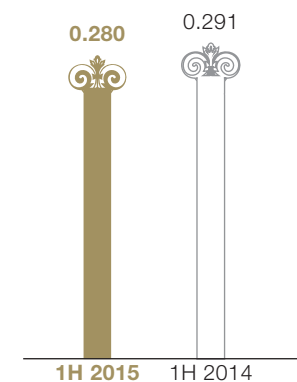
Profit attributable to owners of the Company

(RMB million)



Earnings per share

(RMB)



Chairman's Statement

On behalf of our Board of Directors (the "Board"), I have the pleasure to present the interim results of Sino-Ocean Land Holdings Limited ("Sino-Ocean Land" or the "Company") and its subsidiaries (together referred to as "our Group" or "we") for the six months ended 30 June 2015.



2015 INTERIM RESULTS

For the six months ended 30 June 2015, our Group recorded revenue of RMB15,107 million and gross profit of RMB3,065 million, representing a year-on-year (“YoY”) decrease of about 15% and 13% respectively. Gross profit margin for the period remained stable at 20% compared to same period last year. Profit attributable to owners of the Company decreased 2% to RMB2,195 million, and earning per share was RMB0.280.

Based on the profit attributable to owners of the Company in the period, the Board is pleased to propose an interim dividend of HKD0.075 per share for the six months ended 30 June 2015.

MARKET REVIEW AND OUTLOOK

In the first half of the year, the policies regarding the real estate industry in general and capital supply were relaxed and stable as they have been since 2014. Guided by the Central Government’s endeavor ‘to support people’s need to have their own homes and to upgrade’, the Central Government and local authorities facilitated the industry’s healthy development by regulating both supply and demand. On the supply side, local authorities increased land supply, permitted work-in-progress projects to alter the land using and planning terms and conditions, as well as to change completed commodity housing into settlement housing or public rental housing. On the demand side, the authorities rolled out policies to reduce interest, required reserve and down payment for second property; adjust provident fund policy and lower the transaction tax for second property, thus reduced the purchase barrier and eased the burden, encouraged rigid demand and demand for upgrading.



Chairman's Statement

Continuous positive factors helped restore confidence in the market, and as a result, the market was looking up in the first half of the year. Data from the National Bureau of Statistics of China indicated that accumulated GFA of commodity housing sold in the first half of the year reached 503 million sq.m., an increase of 3.9% YoY (484 million sq.m. in last period), growing for the first time since 2014. Total accumulated sales of commodity housing were RMB3,430 billion, 10% increment compared to the last period.

The industry, however, was still faced with the pressure of high level of stock despite improved market sentiments. By June, total GFA of commodity housing completed for sales was 657 million sq.m., 20.8% up YoY. The huge stock level discouraged developers from further investment. In the period, growth rate of property development investment continued its downward trend to 4.6% (14.1% same period last year), causing the accumulated growth rate to reach a record low. At the same time, GFA of both new construction and land purchased dropped by 15.8% and 33.8% respectively YoY.

During the period, the market continued to differentiate. As policies to reduce the down payment ratio for second property, lower interest and adjust provident fund proved to be more effective in encouraging upgrading, transactions and prices in the mid to high-end market showed an upward trend. Supply and demand was more balanced in first-tier cities and some prosperous second-tier cities due to their relatively strong consumption capacities. Both transaction volume and prices were stable and even recorded modest growth during the period. Third and fourth-tier cities and some less prosperous second-tier cities, however, were still under considerable pressure from the high stock level.

In a new environment, competition among companies took a new turn. On the one hand, as "Internet +" has become a national strategy, the industry embraced the Internet with unabated zeal. More and more developers were trying to explore customers' needs, expand sales channels, generate new selling points and promote their brands through the Internet. Meanwhile, some developers started to cross-over, gradually change their business model and improve on their management quality and innovativeness.

Looking ahead to the second half of the year, our Group believes that the property market will look up but the industry as a whole will develop more rationally. Currently, the macro economy still faces a downward pressure. As a major segment of the economy, the real estate industry needs to remain stable. We expect both the policies and capital supply will continue to ease. As various policies are being rolled out, buyers'

confidence should hopefully be restored. Transaction volume of commodity housing in the coming six months will continue to increase as a result of developers' stronger sales efforts. However, given the imbalance in supply and demand and the high stock level, shifting stock will still be the main concern in the second half of the year. Competition among companies will become fierce and diversified. Developers will also be more determined to change and reform.

BUSINESS REVIEW AND STRATEGY

Based on our assessment of the market and the industry's development, our Group completed the formulation of the fourth phase of strategic development in 2014 and put it into action at the beginning of this year. In 2015, our Group rolled out various management tasks on the premise of 'changing proactively in pursue of the ultimate'.

Restructured ourselves to establish a diversified business with four focuses

Residential development

This is our Group's core business. In the first half of the year, our Group adhered to the full-cycle operation plan to further enhance our overall operation. All project companies seized windows of opportunities created by government's policies and modified sales strategies to push stock shifting. Through novel sales tactics enabled by the Internet, we recorded sales of RMB13,807 million in the first six months, ahead of budget for the period. In the second half of the year, our Group will carry on with residential development as our principal business and satisfy the needs for housing and upgrading. We will also strengthen our technology prowess, customer and product research, raise professionalism, fortify our position and augment profit level.

Investment property development

Our Group will continue to increase our capabilities in commercial properties and office blocks operations and to boost rental income. As for our investment development, our Group keeps a close watch on first and second-tier cities for opportunities to replenish quality assets to advance our business. In the first half of the year, since its official opening, Sino-Ocean Taikoo Li Chengdu, a joint-development with Swire Properties, has become a cultural and commercial landmark in Chengdu and the south-western region and a famous model nationwide. The occupancy rate of the shopping mall currently exceeds 80% with nearly 300 internationally and domestically renowned shops operating in the complex, generating sales revenue of almost RMB1 billion.

Customer services

Our Group examines customers' needs, fine-tunes and updates services and raises standards. At the same time, we also bring in quality resources to explore and plan new businesses such as community O2O services, custody of assets and healthcare. In March, our Group's 'Yijiequ' O2O Wechat platform officially commenced. We are now working with numerous O2O platforms from various business sectors to offer a wealth of value-added services to property owners by upgrading quality and efficiency of services. We have over 100,000 users benefit from the service at this moment. In addition, after two years' exploration and operation, our senior living business was beginning to yield results. During the period, occupancy rate in establishments that are up and running rose rapidly. In the coming six months, our Group will continue to seize opportunities arising from the state's desire to promote the service industry. We will speed up the upgrading and introduction of new ideas to the traditional customer services, and at the same time seize the unprecedented opportunity in senior living to unleash potential growth.

Real estate financing

Our Group will actively develop residential and investment property funds, strengthen communication and synergy with other businesses within our Group, develop according to plans and achieve capital gains to accomplish our goals dually driven by 'Business Operation' and 'Capital Operation'.

Adjusted area structure and improved on location planning

Our Group is set to get better return on investment by focusing on first and second-tier cities. We will also consider carefully our mid to long-term business structure and location planning, seize opportunities accurately for land replenishment in market down cycle. Our Group seized opportunities in the first half of the year to acquire numerous residential and commercial land plots in first and second-tier cities and entered into Guangzhou, Nanjing and Hong Kong for the first time. In the coming six months, our Group will continue to adhere to its investment criteria and focus on quality land bank in first-tier and prosperous second-tier cities.

Modified organization structure and revamped incentive mechanism

In line with our strategic planning, our Group established business operating departments and management centers following the principles of 'business-oriented, flat and flexible'. The department's decision capacity was expanded to enhance decision quality and efficiency. We explored and set up a new incentive mechanism which is based on a project's full-cycle sales result, diminishes departmental boundaries, and equates targets and rewards to encourage full commitments from the entire sales force.

Fine-tuned debt structure and developed financing resources

In January 2015, our Group issued guaranteed notes totaling US\$1.2 billion. This was the first financing event in 2015 by an investment grade issuer from China in US currency. With a relatively relaxed financing environment in the first half of the year, our Group initiated the credit rating for onshore bonds. They were awarded 'AAA' rating by domestic rating agency, China Cheng Xin Credit Rating Co. Ltd. and the outlook was 'stable'. In view of this, our Group has initiated the issuance of Renminbi bonds to fine-tune our capital structure, lower finance cost, strengthen our capital and resilience to risks. The bond issue was approved by the relevant regulatory authorities. The first phase of corporate bond in amount of RMB5 billion was successfully issued on August, and recorded the lowest coupon rate and longest duration ever in the history of Renminbi corporate bond issuance among the property developers.

Appreciation

On behalf of the Board, I would like to extend my deepest gratitude to all shareholders and business partners for their continued support; also to our directors, management and the entire staff for their dedicated hard work. We firmly believe that under the Board's wise guidance and staff's efforts, our Group will continue to enjoy steady growth and achieve better results.

LI Ming
Chairman

21 August 2015, Hong Kong

Corporate Social Responsibility Report



In tandem with the annual theme of “The Ultimate; The Will To Change” for 2015, the fourth phase of strategic development and the further advancement of the four principal business segments, we have given new thoughts to and orchestrated changes in the manner in which our corporate social responsibility will be fulfilled. On the back of thorough analysis of our corporate development strategy, we were engaged in persistent communication and cooperation with our seven principal value partners, namely, investors, government, employees, customers, environment, business partners and community, to drive the scientific and sustainable development of our social responsibility regime.

In line with a fine tradition of focusing on livelihood and serving the people with heartwarming endeavours

While penetrating the Beijing-Tianjin-Hebei Region and developing our focused market, we have remained committed to the betterment of people’s livelihood in close tandem with national policies. In May 2015, the construction of the Linkongxincun No. 31 plot in Tongzhou District officially commenced. In line with the fine tradition of building social security housing in the service of the people and their livelihood, as well as our core philosophy of reliability, innovation and care, the project is set to become a benchmark development of social security housing in Tongzhou District with high quality and service standard.

Rich variety of off-hour activities helps motivating and uniting staff to reach high

As the opening year of our fourth phase of strategic development, 2015 has also been a year of remoulding for our workforce and corporate culture. Through further analysis of the effects of staff activities, we were actively engaged in the innovation of staff culture. In terms of staff activities, a variety of

new programmes were organised in addition to the traditional ball games. In June 2015, more than 400 employees and their families assembled at the north section of the Olympic Forest Park to take part in “Sino Ocean Health Walk 2015.” The organisation of this activity, which brought participants together in an environment-friendly, fashionable and health-boosting aerobic exercise that was popular around the world, had not only helped to enhance the physical fitness of our staff and foster appreciation for a fashionable and healthy lifestyle, but had also proved highly effective in motivating staff and facilitating the creation of an open and visible organisation.

Helping the youth to realise their aspirations and fascinating dreams

As an important means to foster growth of university students and focus on the smooth transition of our young citizens from the campus to the society, the “Sino-Ocean National Seafaring” Students-in-action Incentive Scheme is a government-subsidised project enjoying strong support from the CPC Youth League Central School, with the aim of encouraging active involvement in the society and public welfare on university students. Invitation for project proposals under the 7th “Sino-Ocean National Seafaring” Students-in-action Award started in April 2015 and financial subsidies were provided to university students through education assistance programmes on an ongoing basis. In addition, a new innovative business venture programme has been established to encourage new business ventures and bold innovations of university students by providing “angel investment” to university students who dare to dream.

Ongoing innovations in customer service with a comprehensive system designed to enhance communication

In line with the change in lifestyle brought about by the mobile internet, we have also embarked on a new journey for premium customer service to enhance our customer and stakeholder



relationships. The “Sino-Ocean Cup” National Premier Soccer League for property owners has provided a unique opportunity for meeting new friends on the soccer field. Soccer-loving owners of various residential communities have formed teams to compete in the tournament, underpinned by serious weekly practices that have resulted in genuine improvements in their game. Meanwhile, a mobile internet integrated service platform has been developed for Yijiequ to serve the community with a customised platform that provides speedy, safe, reliable and professional products and services and links up with owners to resolve daily issues through a relationship-based service model.

Completion and delivery of Jinggang Primary School and a further upgrade of “Sino-Ocean” brand

Since 2010, we have been actively engaged in the environment-friendly conversion of old quadrangle compounds in Beijing under our “New Green Environment for Old Communities” initiative. Although the project scale of “Zero-carbon Quadrangle Compound”, “Hydro-recycling Quadrangle Compound” and “Optical Energy Quadrangle Compound” are moderate, the “Sino-Ocean” brand has been closely scrutinised by various sectors in the community with positive acclaim. To integrate with our principal business, these projects have been assured of incessant driving force for sustainable development and the benefits of a strong brand name.

Sino-Ocean Jinggang Primary School has been the product of profound reflection by all of our employees upon their social responsibility in the wake of the devastating Ya’an earthquake in Sichuan in 2013. It has been the first turnkey project stamped with the label of “Sino-Ocean”, which has provided funds, staff and technical support throughout the entire building process from site prospecting and selection, design, construction and fitting. Sino-Ocean Jinggang Primary School, completed and delivered in April 2015, has represented a further upgrade of the “Sino-Ocean” label, as well as the compassion and undertaking of our people in the face of adversities and disasters.



Sino-Ocean and JD Finance enjoy growth in mutually beneficial cross-sector partnership

On 27 May 2015, Sino Ocean and JD Finance (京東金融) held a press conference in relation to their second cooperation, which was an upgraded full-scale cooperation between the two companies in the internet-based property financing business following their first cooperation in real estate crowd funding in November 2014. The latest initiative, featuring the “threefold complimentary gifts” for crowd funding, covered close to 200 million internet users and earned 1.60 million counts of sharing. The online crowd funding resulted for 394 properties, making us one of the three most active brands.

The second cooperation between our Group and JD Finance has not only been leveraging the enormous power of internet-based property financing and a significant move to help realise user’s dream of home purchase, but has also been a creative attempt at in-depth cross-sector cooperation between a traditional enterprise and the internet industry that has remoulded the value chain and the relationship between the enterprise and the user, as well as facilitated the transition of the tradition business development model of a property developer to a new one featuring in-depth integration of the internet and information technologies.

In-depth sharing on social responsibility with an emphasis on public welfare

Different organisations should engage in interaction from time to time in order to appreciate their social responsibilities and bring together their respective strengths for the benefit of public welfare campaigns. In April 2015, a research session was launched in Sichuan as part of the “Responsibility Sharing — Journey Through China” campaign. Our Group and media representatives formed a research group and conducted a survey on our performance in social responsibility. The research group visited the Northern Sichuan Ethnic Middle School (Sino-Ocean Educational Centre for Traditional Qiang Culture) and the post-quake remnants in Northern Sichuan. The group also conducted a range of investigations under topics such as the “Sustainability of Corporate Social Responsibilities.” The “Responsibility Sharing — Journey Through China” campaign showcased our longstanding commitment to low carbon discharge, energy conservation and environmental protection in the fulfillment of our social responsibility. Meanwhile, we studied cases of collaboration with other parties in the discharge of corporate social responsibilities, staff voluntary services and response to serious natural disaster with attending experts.

Corporate Social Responsibility Report



Providing the needy with shelters from storm and sourcing financial aid

Life is always full of hardships, but our love for fellow human beings will make these hardships bearable. In this connection, we are engaged in constant soul-searching on how to unite the strengths of different people to help the needy survive adversities. In May 2015, our volunteers participated in the “Walk the World” campaign for the fourth year in a row to make their share of contributions to help patients suffering from haemophilia. In persistent adherence to the philosophy of “sustainable micro-charity,” our volunteers inspired their kins and friends to join as they united their strengths and resources to persist in serving. In 2012, we raised donations of RMB140,000 for Bai Chonghui, a patient with haemophilia, to pay off his medical bills for two years. In 2015, Bai started middle school and ranked top in his class with excellent academic results. Delighted at his determination to fight the disease and his outstanding performance at school, we launched a further call for staff donations to provide Bai with a second instalment of financial aid, with the aim of taking the burden of his medical bills off and encouraging him to complete his studies.



Management Discussion & Analysis

FINANCIAL REVIEW

Revenue

The components of the revenue are analyzed as follows:

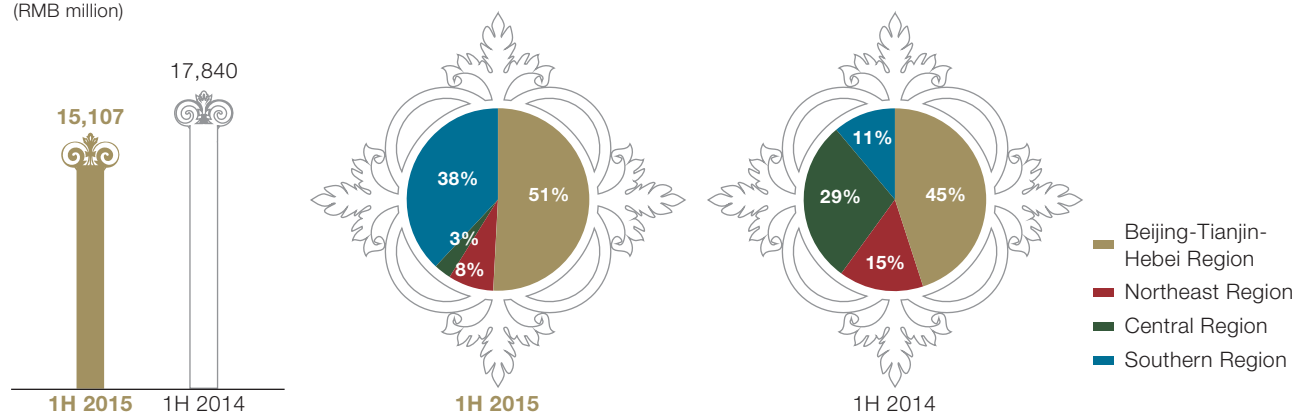
(RMB million)	1H 2015	1H 2014	Change (%)
Property development	14,042	16,218	-13%
Property investment	365	326	12%
Property management	337	298	13%
Other real estate related businesses (including upfitting and decoration business)	363	998	-64%
Total	15,107	17,840	-15%

Our Group's revenue in the first half of 2015 was RMB15,107 million, representing a 15% decrease as compared to RMB17,840 million in the first half of 2014. The decrease was due to the enhancement of nationwide strategic planning to exit third and fourth-tier cities. The property development segment remains as the largest contributor which accounted for about 93% of our Group's total revenue. Beijing as our home base accounted for about 40% of our Group's total revenue in the first half of 2015 (first half of 2014: 35%) and amounted to

RMB6,026 million (first half of 2014: RMB6,233 million). As we have developed a diversified portfolio of landbank, contributions from other first and second tier cities have been growing. For the first half of 2015, contributions of revenue from cities including Tianjin, Dalian, Hangzhou, Zhongshan and Shenzhen were RMB8,444 million, accounting for approximately 56% (first half of 2014: 41%). We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing our Group to stay focus of our future development plan.

Revenue contributions by geographical locations are analyzed below:

(RMB million)



Management Discussion & Analysis

Cost of sales

In line with revenue, the cost of property development for the first half of 2015 decreased to RMB11,295 million (first half of 2014: RMB13,018 million) which mainly comprised of land cost and construction cost and accounted for 94% of our Group's total cost of sales during this period (first half of 2014: 91%). Excluding car parks, average land cost per sq.m. of the property development business for the period decreased to approximately RMB4,400 compared to RMB6,100 in the first half of 2014 which was due to more properties delivered from the newly acquired projects at relatively lower cost during market down cycle. Average construction cost per sq.m. (excluding car parks) for property development segment was approximately RMB5,300 for the period, increased compared to RMB4,600 in the first half of 2014.

Gross profit

Gross profit for the period was RMB3,065 million, representing a decrease of 13% compared to the corresponding period in 2014. Gross profit margin remained stable at approximately 20% (first half of 2014: 20%).

Other income and other gains (net)

Other income for the six months ended 30 June 2015 increased by 109% to RMB440 million (first half of 2014: RMB211 million). Such increase was mainly due to the overall increase in the interest income.

Our Group recorded other gains (net) of RMB162 million (first half of 2014: other losses (net) of RMB104 million). Other gains (net) mainly comprised the gains on disposal of several financial assets during the period.

Revaluation of investment properties

Our Group recognized an increase in fair value on its investment properties (before tax and non-controlling interests) of RMB315 million for the first half of 2015.

Operating expenses

Selling and marketing expenses for the first half of 2015 decrease to RMB176 million, as compared to RMB240 million in the first half of 2014. These costs accounted for approximately 1.3% of the total contracted sales amount for the first half of 2015 (first half of 2014: 1.8%).

Administrative expenses incurred for the first half of 2015 slightly increased to RMB346 million (first half of 2014: RMB319 million), which represented 2.3% of total revenue for the first half of 2015 (first half of 2014: 1.8%). We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

Finance costs

Our weighted average interest rate decreased from 7.03% to 6.49% for the first half of 2015. The total interest expenses paid or accrued was RMB1,772 million (first half of 2014: RMB1,414 million) of which RMB287 million (first half of 2014: RMB132 million) was not capitalized and charged through consolidated income statement.

Taxation

The aggregate of enterprise income tax and deferred tax increased by 8% to RMB922 million for the first half of 2015 (first half of 2014: RMB852 million), with effective tax rate of 30% (first half of 2014: 27%). In addition, land appreciation tax for the first half of 2015 increased to RMB209 million (first half of 2014: RMB106 million), accounting for 7% of gross profit in the first half of 2015 (first half of 2014: 3%).

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 2% to RMB2,195 million in the first half of 2015, compared to RMB2,239 million for the corresponding period last year. Core profit, excluding one-off items and fair value gains on investment properties, decreased 13% to RMB1,693 million (first half of 2014: RMB1,944 million). Return on average equity (excluding capital securities) stated at approximately 5% in the first half of 2015 (first half of 2014: 6%). Our management will continue to focus on the improvement of our shareholders' return as their on-going tasks.

Financial resources and liquidity

During the first half of 2015, we continued to refine our funding structure, liquidity and credit policies to minimize our risk exposure under the everchanging financial market and global economic environment. With overwhelming support from investors, our Group successfully issued USD700 million and USD500 million guaranteed notes due 2020 and 2027, respectively. Subsequently after the period end, we issued first phase of corporate bond of RMB5 billion. We recorded a slight increase in total borrowings from RMB45,604 million as at 31 December 2014 to RMB46,047 million as at 30 June 2015, of which the majority of our Group's borrowings were denominated in Renminbi. The remaining borrowings were denominated in HKD and USD. About 58% of the Group's borrowings were made at fixed rate.

The maturities of our Group's total borrowing are set out as below:

(RMB million)	As at 30 June 2015	As at 31 December 2014	Change (%)
Within 1 year	5,668	11,167	-49%
1 to 2 years	10,931	9,117	20%
2 to 5 years	21,808	20,585	6%
Over 5 years	7,640	4,735	61%
Total	46,047	45,604	1%

As at 30 June 2015, our Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB17,436 million, of which the majority of our Group's cash resources were denominated in Renminbi, and a current ratio of 2.2 times. Together with the unutilized credit facilities of about RMB68,713 million, our Group is ensured to be financially sound. We have ample financial resources and an adaptable financial management policy to meet our business expansion in the coming years.

Our Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was about 63% as at 30 June 2015 (31 December 2014: about 66%). We are comfortable with this gearing level given that we had RMB17,436 million cash resources on hand.

Financial guarantees and charge on assets

As at 30 June 2015, the value of the guarantees provided by our Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB2,635 million (31 December 2014: RMB4,229 million).

During the first half of 2015, our Group had pledged some of its properties under development, completed properties held for sale, investment properties, etc. to secure short-term bank loans (including the current portion of long-term borrowings) of RMB2,324 million (31 December 2014: RMB3,858 million) and long-term bank loans of RMB14,079 million (31 December 2014: RMB7,853 million). As at 30 June 2015, total pledged assets accounted for approximately 19% of the total assets of our Group (31 December 2014: 22%).

Capital commitments

Our Group entered into certain agreements in respect of land acquisition and property development. As at 30 June 2015, our Group had a total capital commitment of RMB5,828 million (31 December 2014: RMB8,581 million).

Contingent liabilities

In line with the prevailing commercial practice in the PRC, our Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 30 June 2015, the total amount of the aforesaid guarantees provided by our Group was RMB2,635 million (31 December 2014: RMB4,229 million). In the past, our Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon completion of the mortgage registration and were secured by the buyers' properties.

Management Discussion & Analysis

BUSINESS REVIEW

Property Development

1) Recognized sales

Revenue from property development business dropped by 13% for the first half of 2015 to RMB14,042 million, compared to RMB16,218 million for the corresponding period in 2014. The decrease was due to the enhancement of nationwide strategic planning to exit third and fourth-tier cities. Saleable GFA delivered decreased

by 4% from approximately 1,120,000 sq.m. in the first half of 2014 to approximately 1,071,000 sq.m. in the first half of 2015. Excluding car park sales, the average selling price recognized in the first half of 2015 was about RMB14,000 per sq.m. (first half of 2014: RMB15,000 per sq.m.).

Revenue and saleable GFA delivered from each project during the first half of 2015 are set out below:

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)	
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	2,478	41,662	59,500	100%	
		Ocean LA VIE	591	6,150	96,100	85.72%	
		Ocean Landscape Eastern Area	1	86	11,600	100%	
		Ocean Manor	46	1,799	25,600	100%	
		Ocean Palace	1,831	54,549	33,600	100%	
		POETRY OF RIVER	20	764	26,200	100%	
	Tianjin	Ocean City	58	5,766	10,100	100%	
		Ocean Express	24	3,671	6,500	100%	
		Ocean Great Harmony	1,314	101,884	12,900	100%	
		Ocean Prospect	18	1,555	11,600	100%	
		Royal River	275	37,515	7,300	100%	
			6,656	255,401	26,100		
	Northeast Region	Dalian	Ocean Diamond Bay	286	25,964	11,000	100%
			Ocean Prospect	3	205	14,600	100%
Ocean Seasons			1	138	7,200	100%	
Ocean Worldview			343	31,771	10,800	100%	
Shenyang		Ocean Paradise	3	392	7,700	100%	
		Ocean Residence	71	10,445	6,800	100%	
Changchun		Ocean Cannes Town	306	27,131	11,300	100%	
			1,013	96,046	10,500		

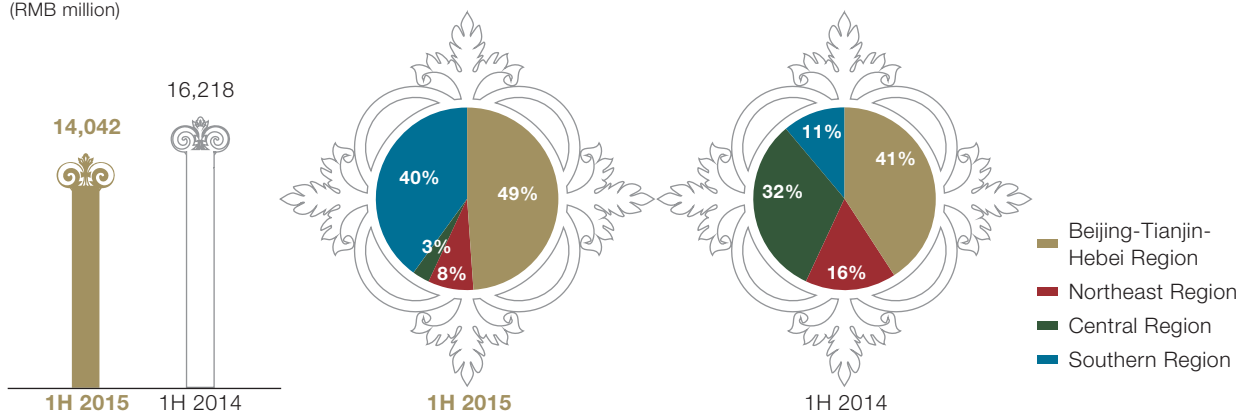
Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Central Region	Shanghai	Ocean Mansion No. 7	8	879	9,100	100%
		Hangzhou	79	5,519	14,300	100%
	Hangzhou	Ocean In Your Heart	226	7,321	30,900	100%
		Ocean Mansion				
	Qingdao	Ocean Prospect	18	1,405	12,800	100%
Ocean Seasons		6	237	25,300	100%	
Wuhan	Ocean World	1	128	7,800	55%	
			338	15,489	21,800	
Southern Region	Shenzhen	Ocean Express	1,133	63,233	17,900	84.70%
		Zhongshan	3,390	378,032	9,000	100%
	Zhongshan	Ocean City	980	154,617	6,300	100%
		Ocean New Era				
Haikou	Ocean Zen House	56	4,639	12,100	70%	
			5,559	600,521	9,300	
Subtotal			13,566	967,457	14,000	
Car parks (various projects)			476	103,355	4,600	
Total			14,042	1,070,812	13,100	

During the first half of 2015, Beijing remained the largest contributor which accounted for 37% of our Group's total revenue from property development (first half of 2014: 30%). Meanwhile, we are seeing more balanced mix of

contribution from Northeast Region, Central Region and Southern Region on our revenue from property development during period under review.

Revenue from property development by geographical locations are analyzed below:

(RMB million)



Management Discussion & Analysis

2) Contracted sales

Our contracted sales (including our joint ventures and associates) during the six months ended 30 June 2015 amounted to RMB13,807 million, representing an approximately 4% increase compared to RMB13,228 million from the corresponding period in 2014, achieving about 1/3 of our full year's budget and was in line with our pace. GFA sold for the first half of 2015 increased by 5% to 1,067,600 sq.m. (first half of 2014: 1,016,000 sq.m.). Excluding car park sales, the average selling price increased by 5% to RMB13,900 per sq.m. (first half of 2014: RMB13,200 per sq.m.).

In terms of distribution, there were altogether 45 projects available for sale during the first half of 2015 (first half of 2014: 40 projects), of which 14 were located in Beijing–Tianjin–Hebei Region, accounting for about 32% of the

total contracted sales amount, while contracted sales from first-tier cities including Beijing, Shanghai and Shenzhen accounted for 36%. As at 30 June 2015, our Group's unbooked contracted sales to be recognized amounted to RMB37,100 million, providing a strong and solid foundation for our Group's future revenue growth.



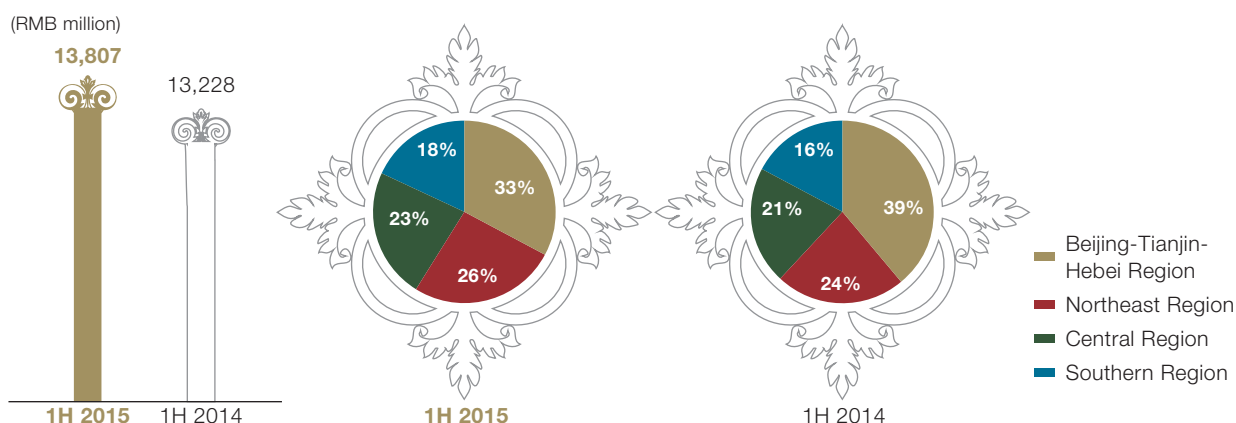
The contracted sales amounts and saleable GFA sold by projects during the first half of 2015 are set out below:

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	468	8,100	57,800	100%
		Ocean Great Harmony	28	500	56,000	100%
		Ocean LA VIE	1,227	15,100	81,300	85.72%
		Ocean Manor	29	1,300	22,300	100%
		Ocean Melody	20	400	50,000	100%
		Ocean Palace	822	25,400	32,400	100%
		POETRY OF RIVER	35	2,600	13,500	100%
	Tianjin	Ocean City	783	88,800	8,800	100%
		Ocean Express	12	1,400	8,600	100%
		Ocean Great Harmony	314	19,400	16,200	100%
		Ocean Prospect	31	2,500	12,400	100%
		Ocean Chanson	231	28,000	8,300	100%
		Royal River	75	10,400	7,200	100%
		Yixingbu Project, Beichen District	120	10,800	11,100	51%
			4,195	214,700	19,500	

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Northeast Region	Dalian	Ocean Diamond Bay	921	92,100	10,000	100%
		Ocean MIDTOWN	750	76,000	9,900	100%
		Ocean Seasons	10	900	11,100	100%
		Ocean Worldview	323	37,400	8,600	100%
		The Place of Glory	980	87,400	11,200	100%
	Shenyang	Ocean Residence	15	1,400	10,700	100%
Northeast Region	Changchun	Ocean Cannes Town	306	34,900	8,800	100%
			3,305	330,100	10,000	
Central Region	Shanghai	Ocean Fortune Center	313	7,400	42,300	100%
	Hangzhou	Canal Business Center Project	129	6,900	18,700	100%
		Ocean Mansion	676	18,800	36,000	100%
	Huangshan	An Island Paradise	48	5,300	9,100	100%
	Wuhan	Ocean World	239	43,600	5,500	55%
			1,405	82,000	17,100	
Southern Region	Shenzhen	Ocean Express	21	1,000	21,000	84.70%
		Shuiwan Project	1,180	21,500	54,900	80%
	Zhongshan	Ocean Aromos	205	42,400	4,800	51%
		Ocean Bloom	100	23,400	4,300	51%
		Ocean City	400	33,400	12,000	100%
		Ocean Emerald	190	37,400	5,100	61%
		Xinjia Yuan Phase II Project	24	4,700	5,100	51%
		Ocean New Era	14	1,300	10,800	100%
	Haikou	Ocean Zen House	146	13,700	10,700	70%
	Chongqing	Sino-Ocean International GOLF Resort	112	13,500	8,300	87.25%
			2,392	192,300	12,400	
Subtotal			11,297	819,100	13,800	
Other joint venture projects			2,131	149,600	14,200	
Subtotal (excluding carparks)			13,428	968,700	13,900	
Carparks (various projects)			379	98,900	3,800	
Total			13,807	1,067,600	12,900	

Management Discussion & Analysis

Contracted sales amounts by geographical locations are analyzed below:



3) Landbank and Construction Progress

Total GFA and total saleable GFA completed in the first half of 2015 of our Group were approximately 1,613,000 sq.m. and 1,329,000 sq.m., decreasing by 4% and increasing by 12% respectively compared to the corresponding period in 2014. Increase in saleable GFA completed was mainly due to more investment properties completed in previous corresponding period. We will maintain our construction scale in order to have enough GFA available for sale and for delivery to achieve our target in 2015 and support our growth in 2016.

As at 30 June 2015, the landbank of our Group slightly increased by 1% to 19,983,000 sq.m. (As at 31 December 2014: 19,880,000 sq.m.); while landbank with attributable interest decreased slightly to 15,179,000 sq.m. (As at 31 December 2014: 15,620,000 sq.m.). During the first half of 2015, we acquired 7 plots of land with total GFA of 1,174,000 sq.m. and attributable interest of approximately 656,000 sq.m. with average acquisition cost per sq.m. of about RMB7,300. The average land cost per sq.m. for our landbank as at 30 June 2015 was approximately RMB3,400 (As at 31 December 2014: RMB3,300).

Details of the newly acquired land plots during the first half of 2015 are as follows:

Cities	Projects	Total GFA acquired ('000 sq.m.)	GFA attributable to our Group ('000 sq.m.)	Interest attributable to our Group (%)
Tianjin	Gangbin Road Project, Binhai New District	183	110	60%
Hangzhou	Dingqiao R21-15 Project, Jianggan District	98	50	51%
Hangzhou	Pengbu Project, Jianggan District	58	58	100%
Nanjing	Gaoxinyuan G98 Project, Jiangning District	71	36	50%
Shenzhen	Shuiwan Project	317	254	80%
Guangzhou	Yuelong Project, Guangzhou	310	93	30%
Hong Kong	LOHAS Park Package 6, Tseung Kwan O	137	55	40%
Total		1,174	656	

The landbank by stages of development as at 30 June 2015 are set out below:

	Approximate total GFA (‘000 sq.m.)	Approximate total saleable GFA (‘000 sq.m.)	Remaining landbank (‘000 sq.m.)
Completed properties held for sales	12,846	11,045	2,943
Properties under development	5,432	4,357	5,432
Properties held for future development	11,608	9,425	11,608
Total	29,886	24,827	19,983

Our Group’s landbank details as at 30 June 2015 are set out below:

Region	Cities	Projects	Approximate total GFA (‘000 sq.m.)	Approximate total saleable GFA (‘000 sq.m.)	Remaining landbank (‘000 sq.m.)	Interest attributable to our Group (%)		
Beijing-Tianjin-Hebei Region	Beijing	CBD Plot Z6	241	185	241	100%		
		CBD Plot Z13	162	126	162	10%		
		Changping Sci-tech Park F2 Project	256	193	251	50%		
		Core Center Plot, Tongzhou District	465	345	465	50%		
		Linkongxincun No. 31 plot, Tongzhou District	195	163	195	75%		
		Liuniangfu Project, Shijingshan District	271	191	271	60%		
		Mizhiyun Project	80	71	42	90%		
		Ocean Crown	209	182	67	100%		
		Ocean LA VIE	318	301	195	85.72%		
		Ocean Landscape Eastern Area	31	24	31	100%		
		Ocean Manor	184	167	50	100%		
		Ocean Melody	55	48	55	100%		
		Ocean Metropolis	332	275	332	75%		
		Ocean Palace	436	388	294	49%		
		Ocean Spring	110	91	110	100%		
		POETRY OF RIVER	793	705	14	100%		
		Tianjin	Tianjin	Ocean City	2,137	1,683	995	100%
				Ocean Express	335	288	26	100%
				Ocean Great Harmony	350	290	73	100%
Ocean International Center	321			200	195	100%		
Ocean Prospect	321			312	69	100%		
Ocean Chanson	204			200	204	100%		
Gangbin Road Project, Binhai New District	183			168	183	60%		
Yixingbu Project, Beichen District	3,030			2,607	3,030	51%		
Royal River	354			338	315	100%		
		11,373	9,541	7,865				

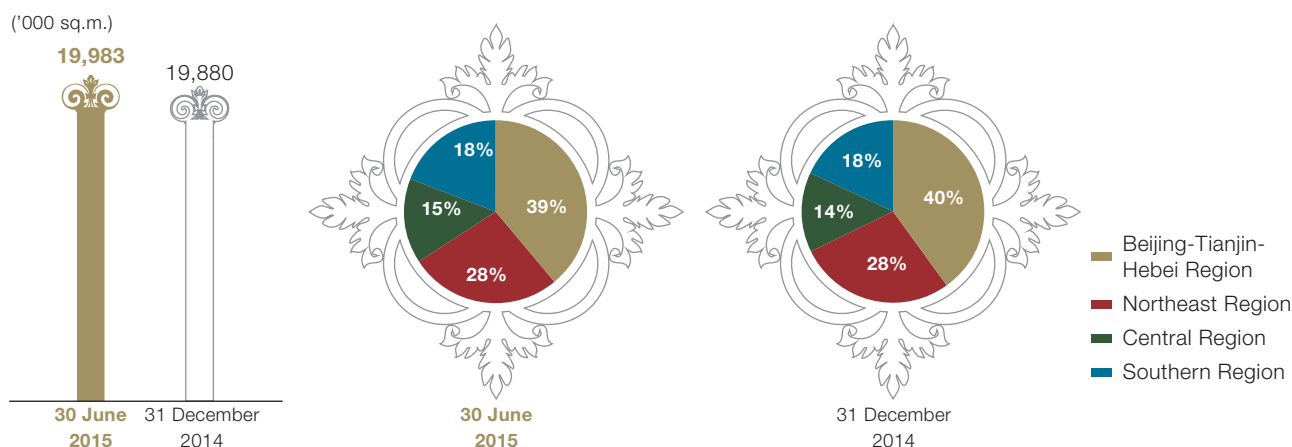
Management Discussion & Analysis

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)
Northeast Region	Dalian	The Place of Glory	925	875	925	100%
		Ocean Diamond Bay	2,040	1,779	1,664	100%
		Ocean MIDTOWN	91	73	91	100%
		Xiaoyao Bay Project	219	175	219	100%
		Ocean Worldview	1,952	1,689	704	100%
		Sino-Ocean Technopole	922	540	922	100%
		Zhonghua Road Plot #2	111	52	111	100%
	Shenyang	Ocean Paradise	713	695	25	100%
		Ocean Residence	181	171	15	100%
	Changchun	Ocean Cannes Town	1,203	909	827	100%
		8,357	6,958	5,503		
Central Region	Shanghai	Huinan Project	310	280	310	40%
		Ocean Fortune Center	59	54	59	100%
		Ocean Mansion No. 7	117	110	38	100%
	Hangzhou	Canal Business Center Project	651	191	651	100%
		Dingqiao R21-15 Project, Jianggan District	98	72	98	51%
		Ocean In Your Heart	171	109	4	100%
		Ocean Manson	287	218	89	100%
		Pengbu Project, Jianggan District	58	39	58	100%
	Nanjing	Gaoxinyuan G98 Project, Jiangning District	71	71	71	50%
	Huangshan	An Island Paradise	155	154	112	100%
	Qingdao	Ocean Seasons	146	132	23	100%
		Wutaishan Road Plot, Huangdao District	109	107	109	100%
	Wuhan	Hejiadun Project	1,019	972	1,019	38%
		Ocean World	398	369	398	55%
			3,649	2,878	3,039	

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)
Southern Region	Shenzhen	Ocean Express	556	437	372	84.70%
		Shengping Project	391	292	391	85%
		Shuiwan Project	317	313	317	80%
	Guangzhou	Yuelong Project	310	279	310	30%
	Zhongshan	Ocean Aromas	141	131	141	51%
		Ocean Bloom	200	189	200	51%
		Ocean City	2,082	1,736	338	100%
		Ocean Emerald	463	445	463	61%
		Ocean New Era	490	478	45	100%
		Xinjiayuan Phase II Project	170	160	170	51%
	Hong Kong	LOHAS Park Package 6, Tseung Kwan O	137	136	137	40%
	Haikou	Ocean Zen House	115	103	97	70%
	Chongqing	Sino-Ocean International GOLF Resort	592	480	267	87.25%
		Gaomiao Plot, Jiulongpo District	126	123	126	37.71%
	Chengdu	Sino-Ocean Taikoo Li Chengdu	417	148	202	50%
			6,507	5,450	3,576	
	Total		29,886	24,827	19,983	

Management Discussion & Analysis

The landbank by geographical locations as at 30 June 2015 and 31 December 2014 are analyzed below:



Property Investment

Investment properties provide a steady and reliable income and cash flow to our Group in addition to the possible capital gains from appreciation in value. They also help us to diversify our risk from market turbulence in the property development business. During the first half of 2015, revenue from property investment increased by 12% to RMB365 million (first half of 2014: RMB326 million). As at 30 June 2015, our Group held 8

operating investment properties and several carparks for rental, excluding those held by our subsidiary, Gemini Investments (Holdings) Limited. Our investment properties are mainly A-grade office premises, shopping malls and commercial complex at good location with a total leasable area of approximately 680,000 sq.m..

List of our investment properties as at 30 June 2015:

	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate as at 30 June 2015 (%)	Interest attributable to our Group (%)
Ocean Plaza (Beijing)	30,000	26,000	-	4,000	100%	72%
Ocean International Center Block A (Beijing)	101,000	75,000	9,000	17,000	93%	100%
Ocean Office Park (Beijing)	127,000	81,000	22,000	24,000	85%	100%
Ocean We-life Plaza (Beijing)	31,000	-	31,000	-	95%	100%
Ocean We-life Plaza (Tianjin)	41,000	-	41,000	-	87%	100%
Ocean Express (Beijing) Carparks	15,000	-	-	15,000	83%	100%
Sub-total	345,000	182,000	103,000	60,000		
Other						
INDIGO (Beijing)	176,000	49,000	71,000	56,000	over 90%	50%
Ocean International Center, Phase II (Beijing)	77,000	47,000	19,000	11,000	over 80%	35%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	82,000	-	82,000	-	over 80%	50%
Total	680,000	278,000	275,000	127,000		

COMMERCIAL PROPERTIES IN PROGRESS

Our Group has built a sound foundation for office complex operation and management since the development of commercial properties in 2010. We have cultivated strengths in commercial project positioning; planning and design; development and construction; attracting investment; and project operation. To date, we have more than 20 commercial property projects in progress across China, including grade A offices, high-class shopping centers, five-star hotels and high quality serviced apartments.

As of 30 June 2015, revenue from property investment amounted to RMB365 million. Our Group currently has eight operating investment properties. During the first half of 2015, our cooperation project Sino-Ocean Taikoo Li Chengdu with Swire Properties Limited was officially opened in Chengdu.

We now have approximately 680,000 sq.m. of commercial real estate resources in operation, with office developments and commercial complexes accounting for about 40% and 60% respectively. In addition, we have approximately 2,000,000 sq.m. of commercial property resources pending for development and operation by stages between 2015 and 2020. These include CBD offices in Beijing and high-class shopping centers. Going forward, the Sino-Ocean Land commercial property brand will boast a strong portfolio of cross-regional and diversified products. They will provide a sound foundation for favourable investment yield and profitability level in the future.

Property management

For the six months ended 30 June 2015, our Group's revenue from the provision of property management services amounted to RMB337 million, representing a 13% increase compared to RMB298 million for the corresponding period in 2014. A total GFA of 14,471,000 sq.m. (first half of 2014: 10,889,000 sq.m.) was covered by our Group's property management services which has significantly increased by 3,582,000 sq.m.

OTHER INFORMATION

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

During the first half of 2015, our Group had no investments in hedging or speculative derivatives. In view of the potential Renminbi exchange rate fluctuations, we will consider arranging for monetary and interest rate hedge at appropriate times to mitigate the corresponding risks.

Employees and Human Resources

As at 30 June 2015, our Group had 7,156 employees (31 December 2014: 7,266). Continuing our efforts in 2014 to maintain a streamlined organization structure, the size of our workforce was largely unchanged. Both manpower effectiveness and our Group's control capability have been strengthened.

For the first half of 2015, taking into account the amortization of share options, the level of our overall staff cost was maintained at about RMB506 million (first half of 2014: RMB446 million). We believe the share option scheme implemented in previous years will provide long-term incentive and rewards to our staff.

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

INVESTOR RELATIONS

Our Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining the most effective communication with the financial community and other stakeholders in a sincere and honest manner. We also set as our goals investors' deeper understanding and approval of the Company's strategies, higher internal management proficiency and maximization of the Company's value.

Seeking ways to change and communicate proactively

In the first half of 2015, macro policies remained relaxed and the property market, driven by supply and demand, gradually stabilized. In the 'new normal' economy, the industry continues to explore sustainable development brought about by reforms and changes.

Faced with new opportunities and challenges we responded swiftly with change. We drew attention to the Group's 'diversified business with four focuses' featuring the Company's structural adaptation and advantage. By communicating effectively our values and growth highlights we progressively won investors' approval and faith.

Management Discussion & Analysis



In the first half of 2015, the Group hosted the 2014 annual results briefings, attracting some 120 individuals from the financial community to attend. Subsequently representatives from the management and the IR team hosted road shows in Hong Kong, Singapore, the US and Japan, meeting 52 funds and other interested parties. The road shows received positive feedback all round and reinforced understanding and trust between the Group's management and the equity market.

The Company also actively created opportunities to meet investors. On the one hand we attended investors' conferences in Beijing, Hong Kong and Singapore and had in-depth and individual discussions with 120 funds, securities firms and over 100 retail shareholders. On the other hand, in view of the Shanghai-Hong Kong Stock Connect, we met with some 30 funds and securities firms in China. We also entertained more than 120 interested individuals at 40 project site visits.

Through these events and discussions, fund managers, institutional and individual investors, analysts and interested parties were able to have a deeper understanding and appreciation of the Group's progress, business policies and strategic development. At the same time our management also gained better knowledge of the expectations and demands the equity market had on the Group. We will seriously consider and put into practice all beneficial suggestions.

Doing our best to communicate values

We maintained our high standards in information disclosure in the first half of 2015 to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition we published our monthly unaudited operating statistics announcement on the HKEX website to boost transparency and to ensure proper and fair access to relevant data by all parties in the capital market.

In June 2015, we hosted large-scale reverse road shows in Shenzhen and Chengdu attracting some 20 securities firms to attend. After making a comprehensive presentation on the Company's management, operation and development strategy, the management encouraged some of the project senior managers to discuss details of the projects with analysts. This presentation showcasing for the first time the Company's penetration and development potential in Shenzhen and its success in commercial properties was met with very positive feedback.

We won first-time coverage from a securities firm in the first half of 2015, bringing the number up to 30 firms. Over 90% of them, including Citi, Deutsche Bank, Bank of China, China International Capital Corporation, UBS, Macquarie, Mizuho and Barclays rated Sino-Ocean Land as 'out-performed the market', 'buy' or 'hold'.

We listened carefully to our shareholders' concerns and addressed them. Beginning with the 2008 Annual General Meeting, management representatives would always allow time after the meeting to speak with retail shareholders and answer their questions. It is our aim to let both individual and institutional shareholders discuss our operations and market trend personally with our representatives. In May 2015, over 270 shareholders and relevant parties attended our AGM and all present were given the opportunity to talk directly with our representatives.

We will continue with our efforts to gain more coverage and recommendations by securities firms; to encourage investors' approval, confidence and loyalty and to protect their interest. We are grateful to all stakeholders for their remarkable support. If you have questions or comments about our work, please contact us at ir@sinoceanland.com. We promise to provide answers to the extent permitted by applicable laws, regulations and the Listing Rules.

Disclosure of Interests

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

As at 30 June 2015, the interests and short positions of each of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the

Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), were as follows:

Long position in the shares and the underlying shares of equity derivatives of the Company

Name of Directors	Nature of interest	No. of ordinary shares held (long position)	No. of underlying shares comprised in share options (note i)	Restricted shares (note ii)	Total	Percentage in the Company's issued share capital
Mr. LI Ming	Founder of discretionary trust	127,951,178 (note iii)	-	-	127,951,178	1.700%
	Beneficiary of trust	5,863,775 (note iv)	-	-	5,863,775	0.078%
	Beneficial owner	3,127,000	6,280,000	4,899,225	14,306,225	0.190%
Ms. LIU Hui	Beneficial owner	266,835	400,000	836,100	1,502,935	0.020%
Mr. CHEUNG Vincent Sai Sing	Beneficial owner	75,000	400,000	105,000	580,000	0.008%
Mr. CHEN Runfu	Beneficial owner	1,158,015	2,610,000	1,615,125	5,383,140	0.072%
Mr. WEN Haicheng	Beneficial owner	364,993	360,000	1,712,325	2,437,318	0.032%
Mr. YANG Zheng	Beneficial owner	75,000	400,000	105,000	580,000	0.008%
Mr. FANG Jun	Beneficial owner	28,500	-	69,500	98,000	0.001%
Mr. CHUNG Chun Kwong, Eric	Beneficial owner	28,500	-	69,500	98,000	0.001%
Mr. TSANG Hing Lun	Beneficial owner	45,000	-	105,000	150,000	0.002%
Mr. GU Yunchang	Beneficial owner	235,000	600,000	105,000	940,000	0.012%
Mr. HAN Xiaojing	Beneficial owner	235,000	600,000	105,000	940,000	0.012%
Mr. ZHAO Kang	Beneficial owner	106,000	600,000	105,000	811,000	0.011%

Disclosure of Interests

Notes:

- (i) The share options were granted pursuant to the share option scheme of the Company, the details of which are set out as below in the paragraph headed "Share Option Scheme".
- (ii) The restricted shares were granted pursuant to the restricted share award scheme of the Company, the details of which are set out as below in the paragraph headed "Restricted Share Award Scheme".
- (iii) The 127,951,178 shares are held by a discretionary trust of which Mr. LI Ming is the founder.
- (iv) The 5,863,775 shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

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

Name of Directors	Name of associated corporation	Nature of interest	No. of ordinary shares of associated corporation held	No. of underlying shares of associated corporation comprised in share options	Percentage of total issued share capital of associated corporation
Mr. LI Ming	Gemini Investments (Holdings) Limited	Beneficial owner	–	4,000,000 (note)	0.887%
Mr. WEN Haicheng	Gemini Investments (Holdings) Limited	Beneficial owner	70,000	–	0.016%

Note: Pursuant to the share option scheme of the associated corporation, the share options were granted on 9 August 2013 with an exercise price of HK\$0.96 per share and an exercise period from 9 August 2013 to 22 June 2021.

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 pursuant to the share option scheme of the Company and the restricted shares awarded pursuant to the restricted share award scheme of the

Company, the details of which are set out below in the paragraphs headed "Share Option Scheme" and "Restricted Share Award Scheme" respectively, at no time during the six months ended 30 June 2015 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 to any equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

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 2015, the Company was notified of the following substantial shareholders' interests and short positions in the shares and underlying shares of the Company, being interests of 5% or more, in addition to those disclosed above in respect of the directors and the chief executives of the Company:

Name of shareholders	Capacity	Long/ short position	No. of ordinary shares held	Percentage in the Company's issued share capital
China Life Insurance (Group) Company (note i)	Interest of controlled corporation	Long	2,203,284,743	29.267%
CHEN Wai Wai Vivien ("Ms. Chen") (note ii)	Interest of controlled corporation	Long	1,601,327,956	21.271%
Executors of the estate of CHEN Din Hwa ("Executors") (note iii)	Interest of controlled corporation	Long	1,526,769,821	20.281%
HSBC Trustee (C.I.) Limited (note iv)	Interest of controlled corporation	Long	445,982,247	5.924%

Notes:

- (i) The 2,203,284,743 shares were registered in the name of, and beneficially owned by, China Life Insurance Company Limited. China Life Insurance (Group) Company was interested in 68.37% of China Life Insurance Company Limited. China Life Insurance (Group) Company was deemed to be interested in these shares by virtue of the SFO.
- (ii) Ms. Chen held a long position in 1,601,327,956 shares of the Company comprising:
 - (a) 1,526,769,821 shares held under the estate of Mr. Chen Din Hwa of which Ms. Chen is one of the Executors as detailed in note (iii) below; and
 - (b) 74,558,135 shares were beneficially owned by Gentfull Investment Limited. Gentfull Investment Limited was wholly-owned by Nan Fung Resources Limited. Nan Fung Resources Limited was wholly-owned by Crosby Investment Holdings Inc., which in turn was wholly-owned by Ms. Chen.
- (iii) The Executors held a long position in 1,526,769,821 shares of the Company comprising that 1,393,759,104 shares and 133,010,717 shares were beneficially owned by Spring Glory Investment Limited and Gavast Estates Limited respectively. Both Spring Glory Investment Limited and Gavast Estates Limited were wholly-owned by Keymark Associates Limited. Keymark Associates Limited was wholly-owned by NF Investment Holdings Limited. NF Investment Holdings Limited was wholly-owned by Nan Fung Group Holdings Limited. Nan Fung Group Holdings Limited was wholly-owned by Nan Fung International Holdings Limited. Nan Fung International Holdings Limited was wholly-owned by Chen's Group Holdings Limited. Chen's Group Holdings Limited was wholly-owned by Chen's Group International Limited, which was in turn 100% held by the Executors of the estate of the late Mr. Chen Din Hwa. The Executors are comprised of Ms. Chen, Ms. Lee Pui Ling Angelina, Ms. Chow Suk Han Anna and Mr. Wong Wai Pat.
- (iv) The 384,021,322 shares and 61,960,925 shares were registered in the name of, and beneficially owned by Crystal Will Holdings Limited and Grand Wave Enterprises Limited respectively. Both of Crystal Will Holdings Limited and Grand Wave Enterprises Limited were wholly-owned by Wharf China Development Limited. Wharf China Development Limited was wholly-owned by Wharf China Holdings Limited. Wharf China Holdings Limited was wholly-owned by The Wharf (Holdings) Limited. WF Investment Partners Limited was interested in 44.04% of The Wharf (Holdings) Limited. WF Investment Partners Limited was wholly-owned by Wheelock Investments Limited. Wheelock Investments Limited was wholly-owned by Wheelock and Company Limited. HSBC Trustee (C.I.) Limited was interested in 48.98% of Wheelock and Company Limited. HSBC Trustee (C.I.) Limited was deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any person or corporation who had interests or short positions in the shares or underlying shares of

the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance and Other Information

SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) was approved by the shareholders’ written resolutions dated 3 September 2007. Under the Share Option Scheme, the Board may grant options to eligible employees and directors of our Group. 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 our Group to work with commitment towards enhancing the value of the Company and its shares for the

benefit of our shareholders, and to compensate employees of our Group for their contribution based on their individual performance and that of the Company. The share options granted under the Share Option Scheme are exercisable within a five-year period in which 40% of the options become exercisable 1 year from the grant date, 70% of the options become exercisable 2 years from the grant date, and all options become exercisable 3 years from the grant date. All of the share options granted and outstanding as at 30 June 2015 are governed by the terms of the Share Option Scheme as stated herein and further detailed in the Prospectus.

During the six months ended 30 June 2015, movements of share options granted to the directors, chief executives and employees of our Group under the Share Option Scheme were as follows:

	Date of share option granted	Exercise price per share (HKD)	No. of share options outstanding as at 1 January 2015	No. of share options exercised during the period (note)	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2015
Directors						
Mr. LI Ming	12 Jan 2012	3.57	6,280,000	–	–	6,280,000
Ms. LIU Hui	12 Jan 2012	3.57	400,000	–	–	400,000
Mr. CHEUNG Vincent Sai Sing	12 Jan 2012	3.57	400,000	–	–	400,000
Mr. CHEN Runfu	12 Jan 2012	3.57	2,610,000	–	–	2,610,000
Mr. WEN Haicheng	12 Jan 2012	3.57	730,000	(370,000)	–	360,000
Mr. YANG Zheng	12 Jan 2012	3.57	400,000	–	–	400,000
Mr. TSANG Hing Lun	12 Jan 2012	3.57	600,000	(600,000)	–	–
Mr. GU Yunchang	12 Jan 2012	3.57	600,000	–	–	600,000
Mr. HAN Xiaojing	12 Jan 2012	3.57	600,000	–	–	600,000
Mr. ZHAO Kang	12 Jan 2012	3.57	600,000	–	–	600,000
Subtotal			13,220,000	(970,000)	–	12,250,000
Employees	12 Jan 2012	3.57	75,773,500	(46,643,828)	(20,500)	29,109,172
Total			88,993,500	(47,613,828)	(20,500)	41,359,172

Notes: During the six months ended 30 June 2015, 47,613,828 share options were exercised and the weighted average closing price of the shares of the Company immediately before the dates of exercise was HKD5.24 per share.

RESTRICTED SHARE AWARD SCHEME

The restricted share award scheme (the “**Award Scheme**”) was adopted by the Board on 22 March 2010 (the “**Adoption Date**”) as an incentive to retain and encourage the employees for the continual operation and development of our Group. Unless early terminated by the Board, the Award Scheme shall continue in full force and effect from the Adoption Date for a term of 10 years. According to the Award Scheme, the maximum number of shares to be awarded under the Award Scheme is 169,104,822 shares, representing 3% of the issued shares of the Company as at the Adoption Date. The restricted shares will be purchased by the trustee from the market out of cash contributed by our Group and be held in trust for the

relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The shares awarded to the directors and employees of our Group at no consideration will be vested in three years in which 40% of awarded shares will be vested after one year from the date of award and 7.5% of awarded shares will be vested quarterly thereafter.

During the period under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, had acquired 7,622,608 shares of the Company at an aggregated cost of approximately RMB17,570,000 (including transaction costs).

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

Date of award	Awarded Shares				
	Balance as at 1 January 2015	Shares awarded during the period	No. of shares vested during the period	No. of shares lapsed during the period (note)	Balance as at 30 June 2015
18 March 2013	7,638,375		(2,816,700)	(625,875)	4,195,800
18 March 2014	25,012,000		(11,314,075)	(1,240,200)	12,457,725
13 May 2014	512,000		(204,800)	–	307,200
18 March 2015		20,147,300	–	–	20,147,300
	<u>33,162,375</u>	<u>20,147,300</u>	<u>(14,335,575)</u>	<u>(1,866,075)</u>	<u>37,108,025</u>

Note: Pursuant to the Award Scheme, 1,866,075 awarded shares lapsed upon the resignation of awardees.

CAPITAL SECURITIES

On 13 May 2011, the perpetual subordinated capital securities callable 2016 (the “**Capital Securities**”) were issued by a wholly-owned subsidiary of the Company, in an aggregate principal amount of USD400 million. The net proceeds from the issue of the Capital Securities were approximately USD388 million and were applied to finance new and existing projects (including construction costs, land costs and investment properties) and for general corporate purposes.

Details of the Capital Securities are disclosed in the Company’s announcement dated 6 May 2011 and note 13 to the unaudited condensed consolidated interim financial information of this report.

GUARANTEED NOTES

On 23 July 2014, Sino-Ocean Land Treasure Finance I Limited, a wholly-owned subsidiary of the Company issued the 4.625% guaranteed notes due 2019 in the principal amount of USD500 million and the 6.000% guaranteed notes due 2024 in the principal amount of USD700 million (collectively, the “**2014 Notes**”) all of which are guaranteed by the Company. The net proceeds of the issue of the 2014 Notes, after deduction of fees, commissions and expenses payable in connection with the offering, amounted to approximately USD1,181 million which was applied in accordance with the specific uses described in the Company’s announcement dated 24 July 2014 for our Group to repay existing indebtedness and for general corporate purposes.

Corporate Governance and Other Information

On 28 January 2015, Sino-Ocean Land Treasure Finance II Limited, a wholly-owned subsidiary of the Company issued the 4.45% guaranteed notes due 2020 in the principal amount of USD700 million and the 5.95% guaranteed notes due 2027 in the principal amount of USD500 million (collectively, the “**2015 Notes**”) all of which guaranteed by the Company. The net proceeds of the issue of the 2015 Notes, after deduction of fees, commissions and expenses payable in connection with the offering, amounted to approximately USD1,171 million which was applied in accordance with the specific uses described in the Company’s announcement dated 29 January 2015 for our Group to repay existing indebtedness and for general corporate purposes.

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

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

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2015 have been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 37.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive directors and two non-executive directors of the Company, namely Mr. TSANG Hing Lun, Mr. GU Yunchang, Mr. ZHAO Kang, Mr. YANG Zheng and Mr. CHUNG Chun Kwong, Eric. Mr. TSANG Hing Lun, who has professional qualifications in accountancy, is the chairman of the Audit Committee. The Audit Committee has reviewed and has no disagreement with the accounting principles and practices adopted by our Group. The Audit Committee has reviewed the interim report for the six months ended 30 June 2015.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015, except as described below:

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

Our Group has adopted a code of conduct regarding directors’ securities transactions (the “**Code of Conduct**”) on standards no less exacting than those required in the Model Code. The Company has made specific enquiries with all the directors of the Company and each of them has confirmed that he or she had complied with all required standards set out in the Code of Conduct throughout the six months ended 30 June 2015.

CHANGES IN DIRECTORS' INFORMATION

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

Mr. CHEUNG Vincent Sai Sing has been the chief operating officer of Nan Fung Development Limited since April 2015.

Mr. CHUNG Chun Kwong, Eric is a chairman and non-executive director of Forterra Trust, a company business trust listed on Singapore Exchange Securities Trading Limited. Forterra Trust was taken over and privatized by Nan Fung Group, a substantial shareholder of the Company, in February 2015.

EVENTS AFTER BALANCE SHEET DATE

On 12 August 2015, China Securities Regulatory Commission (中國證券監督管理委員會) approved the issuance of corporate bonds by Sino-Ocean Land Limited (the "Issuer"), an indirect wholly-owned subsidiary of the Company (incorporated in the People's Republic of China), with principal amount up to RMB10 billion.

On 18 August 2015, the Issuer and the underwriters have, through the result of a book-building process, determined that the first phase of the corporate bonds shall be issued on 21 August 2015 with the aggregate principal amount of RMB5 billion in three series: (i) RMB2 billion 3.78% corporate bonds of a five-year term, under which after the end of the third year, the Issuer shall be entitled to increase the coupon rate and the bondholders shall be entitled to sell the bonds back to the Issuer, (ii) RMB1.5 billion 4.15% corporate bonds of a seven-year term, under which after the end of the fifth year, the Issuer shall be entitled to increase the coupon rate and the bondholders shall be entitled to sell the bonds back to the Issuer, and (iii) RMB1.5 billion 5.00% corporate bonds of a ten-year term. For details, please refer to the announcements of the Company dated 17 August 2015 and 18 August 2015.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

As at 30 June 2015, the Company had entered into two facility agreements (the "**Facility Agreements**"), namely, a 5-year term loan facilities in a principal of USD410 million or its equivalent in other currencies dated 12 July 2013 and a 3-year term loan facilities in a principal of USD800 million or its

equivalent in other currencies dated 24 June 2014. Under the Facility Agreements, it would constitute an event of default if (i) China Life Insurance Company Limited and Nan Fung International Holdings Limited are together no longer the largest shareholder of the Company or no longer maintain (directly or indirectly) beneficially not less than 30% of the issued share capital of the Company; or (ii) neither China Life Insurance Company Limited nor Nan Fung International Holdings Limited is the single largest shareholder of the Company. On and at any time after the occurrence of an event of default, the lenders may (i) cancel the facility available under the Facility Agreements with immediate effect; (ii) declare that all or part of the loan outstanding together with accrued interest and all other amounts accrued or outstanding be immediately due and payable; (iii) declare that all or part of the loans be payable on demand; and/or (iv) instruct the security agent to enforce all or any of the security documents and/or to preserve the security constituted by any security document and/or to exercise any right, power and remedy available to the security agent under any security document.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of HKD0.075 per share (2014: HKD0.075 per share) to shareholders whose names appear on the Company's register of members on 7 September 2015. The interim dividend will be paid in cash. It is expected that the cheques for cash entitlement in relation to the interim dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or about Friday, 25 September 2015.

The register of members of the Company will be closed from Monday, 7 September 2015 to Wednesday, 9 September 2015, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents together with relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 4 September 2015.

Corporate Information

DIRECTORS

Executive Directors

Mr. LI Ming (*Chairman*)
Ms. LIU Hui
Mr. KWOK Kin Ho (Appointed on 22 August 2015)
Mr. CHEUNG Vincent Sai Sing (Resigned on 22 August 2015)
Mr. CHEN Runfu
Mr. WEN Haicheng

Non-executive Directors

Mr. YANG Zheng
Mr. FANG Jun
Mr. YANG Leyu (Appointed on 22 August 2015)
Mr. CHUNG Chun Kwong, Eric (Resigned on 22 August 2015)

Independent Non-executive Directors

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

AUDIT COMMITTEE

Mr. TSANG Hing Lun
Mr. YANG Zheng
Mr. YANG Leyu (Appointed on 22 August 2015)
Mr. CHUNG Chun Kwong, Eric (Resigned on 22 August 2015)
Mr. GU Yunchang
Mr. ZHAO Kang

NOMINATION COMMITTEE

Mr. LI Ming
Mr. FANG Jun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang

REMUNERATION COMMITTEE

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

INVESTMENT COMMITTEE

Mr. LI Ming
Ms. LIU Hui
Mr. KWOK Kin Ho (Appointed on 22 August 2015)
Mr. CHEUNG Vincent Sai Sing (Resigned on 22 August 2015)
Mr. TSANG Hing Lun

COMPANY SECRETARY

Mr. CHUNG Kai Cheong (Appointed on 22 August 2015)
Mr. LAM Tsz Kin (Resigned on 22 August 2015)

AUTHORIZED REPRESENTATIVES

Mr. LI Ming
Mr. CHUNG Kai Cheong (Appointed on 22 August 2015)
Mr. LAM Tsz Kin (Resigned on 22 August 2015)

REGISTERED OFFICE

Suite 601, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL BANKERS *(in alphabetical order)*

Agricultural Bank of China, Ltd.
Bank of Beijing Co., Ltd
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
BNP Paribas Hong Kong Branch
China CITIC Bank Corporation Limited
China CITIC Bank International Limited
China Construction Bank Corporation
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Company Limited
China Guangfa Bank Co., Ltd.
DBS Bank Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Ltd.
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Mega International Commercial Bank Co., Ltd.
Merchants Bank Co., Ltd.
Minsheng Banking Corp., Ltd.
Ping An Bank Co., Ltd.
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Wing Lung Bank Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISOR

Paul Hastings

SHARE REGISTRAR

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

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 03377

COMPANY WEBSITE

www.sinooceanland.com

INVESTOR RELATIONS CONTACT

ir@sinooceanland.com

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 38 to 69, which comprises the condensed consolidated interim balance sheet of Sino-Ocean Land Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related condensed consolidated interim income statement, statements of comprehensive 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 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 condensed consolidated 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 condensed consolidated 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, 21 August 2015

Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	264,361	263,694
Land use rights	7	8,622	8,739
Investment properties	8	12,611,068	11,882,712
Goodwill		97,435	206,349
Investments in joint ventures		5,399,917	3,720,215
Investments in associates		2,527,885	2,362,918
Available-for-sale financial assets	9	2,258,395	1,737,174
Trade and other receivables	10	11,282,212	10,905,792
Deferred income tax assets		875,801	1,082,857
Total non-current assets		35,325,696	32,170,450
Current assets			
Deposits for land use rights		5,983,061	6,553,151
Properties under development		38,162,967	41,540,133
Inventories, at cost		26,445	82,069
Amounts due from customers for contract work	11	499,270	821,804
Land development cost recoverable		2,434,534	2,161,711
Completed properties held for sale		10,888,341	17,213,758
Available-for-sale financial assets	9	–	100,000
Financial assets at fair value through profit or loss		730,156	663,165
Trade and other receivables	10	21,140,481	14,569,278
Restricted bank deposits		3,431,634	3,025,092
Cash and cash equivalents		14,004,324	13,311,150
Total current assets		97,301,213	100,041,311
Total assets		132,626,909	132,211,761

	Note	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Capital	12	26,903,461	26,708,812
Shares held for Restricted Share Award Scheme	12	(8,492)	(41,504)
Other reserves		(379,677)	(348,800)
Retained earnings			
— proposed dividends	20	465,517	981,664
— others		14,796,350	13,190,679
		41,777,159	40,490,851
Capital securities	13	2,532,866	2,532,866
		44,310,025	43,023,717
Non-controlling interests		1,365,767	1,359,276
Total equity		45,675,792	44,382,993
LIABILITIES			
Non-current liabilities			
Borrowings	14	40,379,134	34,437,176
Trade and other payables	15	59,792	13,377
Deferred income tax liabilities		2,271,418	1,989,782
Total non-current liabilities		42,710,344	36,440,335
Current liabilities			
Borrowings	14	5,668,253	11,166,668
Trade and other payables	15	23,087,291	17,762,179
Advance receipts from customers		12,716,357	18,887,434
Income tax payables		2,768,872	3,572,152
Total current liabilities		44,240,773	51,388,433
Total liabilities		86,951,117	87,828,768
Total equity and liabilities		132,626,909	132,211,761
Net current assets		53,060,440	48,652,878
Total assets less current liabilities		88,386,136	80,823,328

The notes on pages 45 to 69 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Interim Income Statement

		Unaudited	
		Six months ended 30 June	
	Note	2015	2014
		RMB'000	RMB'000
Revenue	6	15,106,881	17,840,113
Cost of sales		(12,041,924)	(14,321,854)
Gross profit		3,064,957	3,518,259
Interest and other income		440,223	210,664
Other gains/(losses) — net	16	161,824	(103,956)
Fair value gains on investment properties	8	315,488	113,367
Selling and marketing expenses		(176,199)	(239,946)
Administrative expenses		(346,013)	(319,093)
Operating profit		3,460,280	3,179,295
Finance costs	17	(286,705)	(132,255)
Share of gains of joint ventures		90,157	252,585
Share of gains/(losses) of associates		58,656	(1,005)
Profit before income tax		3,322,388	3,298,620
Income tax expense	18	(1,131,022)	(958,107)
Profit for the period		2,191,366	2,340,513
Attributable to:			
Owners of the Company		2,195,325	2,239,051
Non-controlling interests		(3,959)	101,462
		2,191,366	2,340,513
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	19	0.280	0.291
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	19	0.280	0.290

The notes on page 45 to 69 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited	
	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Profit for the period	2,191,366	2,340,513
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Fair value gains/(losses) on available-for-sale financial assets	25,804	(24,371)
Currency translation differences	7,202	6,467
Other comprehensive income for the period	33,006	(17,904)
Total comprehensive income for the period	2,224,372	2,322,609
Total comprehensive income attributable to:		
— Owners of the Company	2,228,331	2,221,147
— Non-controlling interests	(3,959)	101,462
	2,224,372	2,322,609

The notes on page 45 to 69 form an integral part of these condensed consolidated interim financial information

Condensed Consolidated Interim Statement of Changes in Equity

	Unaudited										
	Attributable to owners of the Company										
	Share capital	Share premium	Share held for Restricted		Other reserves	Retained earnings	Subtotal	Capital securities	Total	Non-controlling interests	Total equity
			Share Award Scheme	Other							
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2015	26,708,812	-	(41,504)	(348,800)	14,172,343	40,490,851	2,532,866	43,023,717	1,359,276	44,382,993	
Profit for the period	-	-	-	-	2,195,325	2,195,325	-	2,195,325	(3,959)	2,191,366	
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	
Fair value gains on available-for-sale financial assets	-	-	-	25,804	-	25,804	-	25,804	-	25,804	
Currency translation differences	-	-	-	7,202	-	7,202	-	7,202	-	7,202	
Total comprehensive income for the period ended 30 June 2015	-	-	-	33,006	2,195,325	2,228,331	-	2,228,331	(3,959)	2,224,372	
Transactions with owners in their capacity as owners											
Dividends relating to 2014 paid in June 2015 (Note 20)	9,474	-	-	-	(980,084)	(970,610)	-	(970,610)	-	(970,610)	
Expense on share based payment	-	-	-	39,911	-	39,911	-	39,911	-	39,911	
Issue of shares pursuant to exercise of employee share options	185,012	-	-	(53,040)	-	131,972	-	131,972	4,941	136,913	
Vesting of shares under Restricted Share Award Scheme (Note 12)	163	-	50,582	(50,745)	-	-	-	-	-	-	
Purchase of shares for Restricted Share Award Scheme (Note 12)	-	-	(17,570)	-	-	(17,570)	-	(17,570)	-	(17,570)	
Distribution relating to capital securities	-	-	-	-	(125,717)	(125,717)	-	(125,717)	-	(125,717)	
Total contributions by and distributions to owners	194,649	-	33,012	(63,874)	(1,105,801)	(942,014)	-	(942,014)	4,941	(937,073)	
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	6,000	6,000	
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling interests	-	-	-	(9)	-	(9)	-	(9)	(491)	(500)	
Total transactions with equity holders	194,649	-	33,012	(63,883)	(1,105,801)	(942,023)	-	(942,023)	10,450	(931,573)	
Balance at 30 June 2015	26,903,461	-	(8,492)	(379,677)	15,261,867	41,777,159	2,532,866	44,310,025	1,365,767	45,675,792	

Unaudited

	Attributable to owners of the Company									
	Share capital	Share premium	Share held for Restricted		Retained earnings	Subtotal	Capital securities	Total	Non-controlling interests	Total equity
			Share Award	Other reserves						
			RMB'000	RMB'000						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2014	5,336,871	20,742,373	(79,008)	166,032	11,358,592	37,524,860	2,532,866	40,057,726	3,387,319	43,445,045
Profit for the period	-	-	-	-	2,239,051	2,239,051	-	2,239,051	101,462	2,340,513
Other comprehensive income:										
Fair value losses on available-for-sale financial assets	-	-	-	(24,371)	-	(24,371)	-	(24,371)	-	(24,371)
Currency translation differences	-	-	-	6,467	-	6,467	-	6,467	-	6,467
Total comprehensive income for the period ended 30 June 2014	-	-	-	(17,904)	2,239,051	2,221,147	-	2,221,147	101,462	2,322,609
Transactions with owners in their capacity as owners										
Dividends relating to 2013 paid in June 2014 (Note 20)	509,132	-	-	-	(927,722)	(418,590)	-	(418,590)	-	(418,590)
Expenses on share based payment	-	-	-	45,237	-	45,237	-	45,237	-	45,237
Vesting of shares under Restricted Share Award Scheme (Note 12)	1,394	-	39,015	(40,409)	-	-	-	-	-	-
Issue of shares pursuant to exercise of employee share options	18,688	-	-	(5,090)	-	13,598	-	13,598	-	13,598
Purchase of shares for Restricted Share Award Scheme (Note 12)	-	-	(7,105)	-	-	(7,105)	-	(7,105)	-	(7,105)
Transition to no-par value regime on 3 March 2014 (Note 12)	20,757,959	(20,742,373)	-	(15,586)	-	-	-	-	-	-
Share buyback (Note 12)	(445)	-	-	445	(2,180)	(2,180)	-	(2,180)	-	(2,180)
Distribution relating to capital securities	-	-	-	-	(126,232)	(126,232)	-	(126,232)	-	(126,232)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	31,115	31,115
Total contributions by and distributions to owners	21,286,728	(20,742,373)	31,910	(15,403)	(1,056,134)	(495,272)	-	(495,272)	31,115	(464,157)
Increase in non-controlling interests due to disposal of partial interests in a subsidiary	-	-	-	-	-	-	-	-	15,752	15,752
Increase in non-controlling interests as a result of other acquisition	-	-	-	-	-	-	-	-	25,023	25,023
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling interests	-	-	-	(30,176)	-	(30,176)	-	(30,176)	(42,354)	(72,530)
Total transactions with owners	21,286,728	(20,742,373)	31,910	(45,579)	(1,056,134)	(525,448)	-	(525,448)	29,536	(495,912)
Balance at 30 June 2014	26,623,599	-	(47,098)	102,549	12,541,509	39,220,559	2,532,866	41,753,425	3,518,317	45,271,742

Condensed Consolidated Interim Cash Flow Statement

	Unaudited	
	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	3,247,929	(5,108,913)
Net cash used in investing activities	(3,433,467)	(1,002,709)
Net cash generated from financing activities	887,438	6,714,437
Net increase in cash and cash equivalents	701,900	602,815
Cash and cash equivalents at the beginning of the period	13,311,150	11,252,893
Exchange (losses)/gains	(8,726)	4,825
Cash and cash equivalents at end of the period	14,004,324	11,860,533

The notes on page 45 to 69 form an integral part of these condensed consolidated interim financial information.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 General information

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

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

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

The condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. The condensed consolidated interim financial information was approved for issue on 21 August 2015 by the Board of directors.

The condensed consolidated interim financial information has not been audited.

2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

Key events

During the period, the Group partially disposed of interests in a subsidiary which resulted in loss of control of that subsidiary. Further details are set out in Note 23.

3 Accounting policies

Amendments to HKFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the financial statements of the Group in the current period and prior years.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

4 Estimates

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

In preparing the condensed consolidated interim financial information, significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

5 Financial risk management and financial instruments

5.1 Financial risk factors

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

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

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

5.2 Liquidity risk

Compared to year end, there is no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

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

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

5 Financial risk management and financial instruments *(Continued)*

5.3 Fair value estimation *(Continued)*

The following tables present the Group's assets and liabilities that are measured at fair value as at 30 June 2015 and 31 December 2014.

	Level 1	Level 2	Level 3	Total
Assets				
Group				
As at 30 June 2015				
Financial assets at fair value through profit or loss	730,156	–	–	730,156
Available-for-sale financial assets:				
– equity fund investments (Note 9)	–	315,831	1,670,263	1,986,094
– other equity securities (Note 9)	–	–	233,496	233,496
– others (Note 9)	–	–	38,805	38,805
	730,156	315,831	1,942,564	2,988,551
Assets				
Group				
As at 31 December 2014				
Financial assets at fair value through profit or loss	663,165	–	–	663,165
Available-for-sale financial assets:				
– equity fund investments (Note 9)	–	334,840	1,352,295	1,687,135
– other equity securities (Note 9)	–	–	54,200	54,200
– others (Note 9)	–	–	35,839	35,839
– structured products issued by bank (Note 9)	–	60,000	–	60,000
	663,165	394,840	1,442,334	2,500,339

There were no transfers between Level 1 and Level 2 during the period.

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

5 Financial risk management and financial instruments *(Continued)*

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

	Available-for-sale financial assets: unlisted equity and debt securities RMB'000
Opening balance at 1 January 2015	1,442,334
Addition	520,930
Disposals	(20,700)
Closing balance at 30 June 2015	1,942,564

Level 3 investments in unlisted equity securities are estimated based on the net assets values of respective securities, which approximate their fair values. The higher the net assets value of respective securities, the higher the fair values. Level 3 investments in unlisted debt securities are fair valued using a discounted cash flow approach and the discounted rate is mainly determined by counterparty credit risk.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no changes in valuation techniques during the period.

5.5 Group's valuation processes

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

The main Level 3 input used by the Group pertains to the investments in unlisted equity securities. It is estimated based on the net assets values of respective securities.

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

5.6 Fair value of financial assets and liabilities measured at amortized cost

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

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

6 Segment information

Management determine the operating segments based on the reports reviewed by the chief operating committee (the “Committee”) that are used to make strategic decisions.

The Committee considers the business from both geographic and product perspectives. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically into Beijing, Tianjin, North-east as well as all other territories.

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

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

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

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

6 Segment information (Continued)

	Unaudited								
	Property development				Investment property	All other segments	Total	Inter-company elimination	Group total
	Beijing	Tianjin	North-east	Others					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Six months ended 30 June 2015									
Total segment revenue	5,131,810	1,701,001	1,109,229	6,100,823	370,412	1,673,326	16,086,601	–	16,086,601
Inter-segment revenue	–	–	–	(514)	(5,695)	(973,511)	(979,720)	–	(979,720)
Revenue (from external customers)	5,131,810	1,701,001	1,109,229	6,100,309	364,717	699,815	15,106,881	–	15,106,881
Segment operating profit	738,099	138,305	70,066	1,678,045	319,919	127,487	3,071,921	221,657	3,293,578
Depreciation and amortization (Note 7)	(428)	(642)	(444)	(2,002)	(188)	(14,111)	(17,815)	–	(17,815)
Income tax expense (Note 18)	(91,277)	(1,505)	(51,470)	(781,502)	(64,048)	(141,220)	(1,131,022)	–	(1,131,022)
Finance income	24,412	28,490	144,307	260,509	31,759	80,796	570,273	(218,590)	351,683
Six months ended 30 June 2014									
Total segment revenue	4,905,936	1,774,054	2,575,251	7,007,239	329,272	2,216,235	18,807,987	–	18,807,987
Inter-segment revenue	(44,100)	–	(680)	–	(3,359)	(919,735)	(967,874)	–	(967,874)
Revenue (from external customers)	4,861,836	1,774,054	2,574,571	7,007,239	325,913	1,296,500	17,840,113	–	17,840,113
Segment operating profit	741,931	203,638	139,556	722,594	291,006	428,072	2,526,797	697,327	3,224,124
Depreciation and amortization (Note 7)	(651)	(589)	(1,276)	(2,725)	(304)	(14,207)	(19,752)	–	(19,752)
Income tax expense (Note 18)	(80,083)	(124,119)	(146,853)	(402,437)	(41,089)	(163,526)	(958,107)	–	(958,107)
Finance income	6,010	17,278	2,678	81,525	24,609	41,378	173,478	(127,124)	46,854

6 Segment information (Continued)

	Property development				Investment property	All other segments	Total	Inter-company elimination	Group total
	Beijing	Tianjin	North-east	Others					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2015 (Unaudited)									
Total segment assets	27,521,850	10,567,317	30,773,095	30,438,685	10,849,457	83,529,039	193,679,443	(77,286,526)	116,392,917
Additions to non-current assets (other than financial instruments and deferred income tax assets)	115	48	310	2,485	728,369	16,774	748,101	-	748,101
Total segment liabilities	19,456,506	3,861,839	8,544,878	11,197,828	2,104,194	58,632,231	103,797,476	(65,165,164)	38,632,312
As at 31 December 2014 (Audited)									
Total segment assets	36,631,936	11,249,819	35,541,206	35,009,108	10,669,338	99,920,958	229,022,365	(108,325,494)	120,696,871
Additions to non-current assets (other than financial instruments and deferred income tax assets)	67	2,157	370	1,449	1,595,766	113,042	1,712,851	-	1,712,851
Total segment liabilities	19,462,495	4,581,243	10,570,697	17,204,148	2,195,624	60,849,833	114,864,040	(74,628,898)	40,235,142

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

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Segment operating profit	3,293,578	3,224,124
Corporate finance income	77,584	36,115
Corporate overheads	(226,370)	(194,311)
Fair value gains on investment properties (Note 8)	315,488	113,367
Finance costs (Note 17)	(286,705)	(132,255)
Share of gains of joint ventures	90,157	252,585
Share of gains/(losses) of associates	58,656	(1,005)
Profit before income tax	3,322,388	3,298,620

Notes to the Unaudited Condensed Consolidated Interim Financial Information

6 Segment information *(Continued)*

	As at 30 June 2015 (Unaudited) RMB'000	As at 31 December 2014 (Audited) RMB'000
Reportable and other segments' assets are reconciled to total assets as follows:		
Total segment assets	116,392,917	120,696,871
Corporate cash and cash equivalents	4,441,838	1,848,561
Investments in joint ventures	5,399,917	3,720,215
Investments in associates	2,527,885	2,362,918
Available-for-sale financial assets (Note 9)	2,258,395	1,837,174
Financial assets at fair value through profit or loss	730,156	663,165
Deferred income tax assets	875,801	1,082,857
Total assets per consolidated balance sheet	132,626,909	132,211,761
Reportable and other segments' liabilities are reconciled to total liabilities as follows:		
Total segment liabilities	38,632,312	40,235,142
Current borrowings (Note 14)	5,668,253	11,166,668
Non-current borrowings (Note 14)	40,379,134	34,437,176
Deferred income tax liabilities	2,271,418	1,989,782
Total liabilities per consolidated balance sheet	86,951,117	87,828,768

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the six months ended 30 June 2015 and 2014.

As at 30 June 2015, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB20,497,404,000 (31 December 2014: RMB18,032,021,000), the total of these non-current assets located in Hong Kong and the United States is RMB411,884,000 (31 December 2014: RMB412,606,000).

For the six months ended 30 June 2015 and 2014, the Group does not have any single customer with the transaction value over 10% of the total external sales.

Turnover consists of sales from the property development segment, and rental income as derived from the investment property segment, which are RMB14,042,349,000 and RMB364,717,000 for the six months ended 30 June 2015 and RMB16,217,700,000 and RMB325,913,000 for the six months ended 30 June 2014, respectively.

7 Property, plant and equipment and land use rights

	Unaudited	
	Property, plant and equipment RMB'000	Land use rights RMB'000
Opening net book amount as at 1 January 2015	263,694	8,739
Additions	19,745	–
Depreciation and amortization	(17,698)	(117)
Disposals	(1,227)	–
Partial disposal of interests in a subsidiary (Note 23)	(153)	–
Closing net book amount as at 30 June 2015	264,361	8,622
Opening net book amount as at 1 January 2014	203,827	8,985
Additions	178,266	–
Depreciation and amortization	(19,639)	(113)
Disposals	(5,315)	–
Partial disposal of interests in a subsidiary	(719)	–
Closing net book amount as at 30 June 2014	356,420	8,872

8 Investment properties

	Unaudited	
	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Opening net book amount at beginning of the period	11,882,712	10,302,496
Addition	100,900	84,837
Transfer from completed properties held for sale	311,968	–
Fair value gains	315,488	113,367
Closing net book amount at end of the period	12,611,068	10,500,700

- (a) Investment properties for the carrying values of RMB10,280,891,000 and RMB8,558,596,000 were pledged as collateral for the Group's borrowings (Note 14) as at 30 June 2015 and 31 December 2014, respectively.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

9 Available-for-sale financial assets

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Investment in other unlisted equity securities (a)	233,496	54,200
Investment in fund investments (b)	1,986,094	1,687,135
Investment in structured products issued by banks	–	60,000
Others	38,805	35,839
	2,258,395	1,837,174
Less: non-current portion	(2,258,395)	(1,737,174)
Current portion	–	100,000

(a) Available-for-sale financial assets of the Group include certain unlisted equity securities which are mainly denominated in RMB. The fair value of unlisted securities approximates the Group's share of the net asset values of the respective entities.

(b) To diversify the Group's investment risk and further enhance the return of the Group's investments, the Group invested in several unlisted funds amounting to RMB 1,986,094,000 (31 December 2014: RMB1,687,135,000). As the Group has no power to govern or participate in the financial operating policies of the fund investment entities so as to obtain benefits from its activities and does not intend to trade these funds for short-term profit, the directors of the Company has designated these funds as available-for-sale financial assets.

10 Trade and other receivables

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Trade receivables (a)	569,001	387,702
Less: provision for impairment	(9,460)	(11,635)
Trade receivables — net	559,541	376,067
Tax prepayments for advance receipts from customers	2,189,017	2,720,563
Entrusted loans to third parties (b)	2,155,648	2,063,588
Entrusted loans to joint ventures (c)	8,377,741	8,642,355
Entrusted loans to associates (d)	920,907	490,000
Entrusted loan to a non-controlling interest (e)	46,812	—
Receivables from government (f)	1,467,946	1,788,762
Receivables from partial disposal of interests in a subsidiary (g)	479,785	479,785
Amounts due from subsidiary of a shareholder (h)	—	300,000
Amounts due from joint ventures (h)	8,261,528	5,880,494
Amounts due from associates (h)	1,441,879	395,419
Amounts due from non-controlling interests (h)	55,226	148,855
Cooperation deposits (i)	2,573,403	603,492
Prepayment for subscription of available-for-sale financial assets (j)	355,884	318,371
Receivables from joint venture partners (k)	1,883,530	—
Receivables from disposal of financial assets at fair value through profit or loss	310,300	—
Prepayments for acquisition	361,948	—
Other prepayments	313,207	668,159
Other receivables	668,391	599,160
	32,422,693	25,475,070
Less: non-current portion	(11,282,212)	(10,905,792)
Current portion	21,140,481	14,569,278

Notes to the Unaudited Condensed Consolidated Interim Financial Information

10 Trade and other receivables *(Continued)*

(a) Trade receivables

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 6 months	298,173	175,641
Between 6 months to 1 year	160,502	128,925
Between 1 year to 2 years	100,125	70,508
Between 2 years to 3 years	4,305	6,826
Over 3 years	5,896	5,802
	569,001	387,702

- (b) As at 30 June 2015, entrusted loans to third parties included amounts of RMB2,060,648,000 (31 December 2014: RMB1,968,588,000), which are unsecured, bearing interest from 4.625% to 15% per annum (31 December 2014: from 4.625% to 8%), and out of which RMB690,000,000 (31 December 2014: nil) are repayable within one year, and the remaining balances (31 December 2014: RMB1,968,588,000) are repayable after one year and included in the non-current portion.

The remaining balances comprised two loans which are interest bearing at 6% and 8% per annum, respectively (31 December 2014: 6% and 8%), secured by respective share capital of the third parties and repayable on demand.

- (c) Entrusted loans to joint ventures are unsecured, interest bearing from 3.38% to 15% per annum (31 December 2014: from 3.38% to 10%). RMB73,500,000 (31 December 2014: RMB178,500,000) of the balances are repayable on demand. The remaining balances of RMB8,304,241,000 (31 December 2014: 8,463,855,000) are repayable after one year and included in the non-current portion.
- (d) Entrusted loans to associates are unsecured, interest bearing from 5.31% to 12% per annum (31 December 2014: 5.31% to 12%). As at 30 June 2015, all the balances are repayable after one year and included in the non-current portion. As at 31 December 2014, RMB400,000,000 of the balances are repayable on demand, and the remaining balances of RMB90,000,000 are repayable after one year and included in the non-current portion.
- (e) Entrusted loan to a non-controlling interest is unsecured, bearing interest of 12% per annum, and is repayable in 2019 and included in the non-current portion.
- (f) Receivables from government mainly represent payment made for land development cost, some deposits paid to government to ensure the business activities of properties development, and the amounts paid to government with the intention of possible future cooperation in real estate project development, which will be subsequently recoverable from the government.
- (g) Such balances bear interest at 2% per annum, and are expected to be settled within the next twelve months.

10 Trade and other receivables *(Continued)*

- (h) Amounts due from subsidiary of a shareholder, joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.
- (i) Balances represent amounts paid to certain third parties, with the intention of future cooperation in real estate project development. As at 30 June 2015, such cooperation is still in negotiation stage.
- (j) This represented additional subscription monies paid by the Group for certain unlisted fund prior to the balance sheet date. Subsequent to the balance sheet date, such amount has been reclassified to available-for-sale financial assets upon issuance of shares of the fund manager.
- (k) This represented amounts due from two business partners in respect of proceeds paid as for acquisition of two pieces of land in Shanghai and Guangzhou, respectively. These balances are unsecured, borne interest at 6% per annum and expected to be settled in the next three months.

11 Amounts due from customers for contract work

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Contract cost incurred plus recognized profit	3,306,455	1,696,385
Less: Progress receivables	(2,807,185)	(874,581)
Contract work-in-progress	499,270	821,804
Representing:		
Amounts due from customers for contract work	499,270	821,804
	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Contract revenue recognized as revenue in the period	184,839	915,481

Notes to the Unaudited Condensed Consolidated Interim Financial Information

12 Capital

	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share premium RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:						
Opening balance 1 January 2015	7,478,559,020	29,649,352	26,708,812	–	–	26,708,812
Issue of shares pursuant to exercise of employee share options (a)	47,613,828	233,871	185,012	–	–	185,012
Issue of scrip dividends	2,088,309	12,001	9,474	–	–	9,474
Vesting of shares under Restricted Share Award Scheme	–	286	163	–	–	163
	7,528,261,157	29,895,510	26,903,461	–	–	26,903,461
Restricted Share Award Scheme (b)						
Opening balance 1 January 2015	(12,089,019)	–	–	–	(41,504)	(41,504)
Purchase of shares for Restricted Share Award Scheme	(7,622,608)	–	–	–	(17,570)	(17,570)
Vesting of shares under Restricted Share Award Scheme	14,335,575	–	–	–	50,582	50,582
	(5,376,052)	–	–	–	(8,492)	(8,492)
At 30 June 2015	7,522,885,105	29,895,510	26,903,461	–	(8,492)	26,894,969

12 Capital (Continued)

	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share premium RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:						
Opening balance 1 January 2014	7,282,020,114	5,825,617	5,336,871	20,742,373	-	26,079,244
Issue of shares pursuant to exercise of employee share options (a)	4,809,500	23,597	18,688	-	-	18,688
Issue of scrip dividends	169,774,174	639,710	509,132	-	-	509,132
Share buyback	(700,000)	(560)	(445)	-	-	(445)
Vesting of shares under Restricted Share Award Scheme	-	2,751	1,394	-	-	1,394
Transition to no-par regime on 3 March 2014 (c)	-	23,050,768	20,757,959	(20,742,373)	-	15,586
	7,455,903,788	29,541,883	26,623,599	-	-	26,623,599
Restricted Share Award Scheme (b)						
Opening balance 1 January 2014	(21,974,398)	-	-	-	(79,008)	(79,008)
Purchase of shares for Restricted Share Award Scheme	(2,278,500)	-	-	-	(7,105)	(7,105)
Issue of scrip dividends	(603,128)	-	-	-	-	-
Vesting of shares under Restricted Share Award Scheme	11,261,407	-	-	-	39,015	39,015
	(13,594,619)	-	-	-	(47,098)	(47,098)
At 30 June 2014	7,442,309,169	29,541,883	26,623,599	-	(47,098)	26,576,501

- (a) Employee share options exercised during the period ended 30 June 2015 resulted in 47,613,828 shares being issued (30 June 2014: 4,809,500 shares), with total proceeds of approximately HKD169,981,000 (30 June 2014: HKD17,170,000). The related weighted average price at the time of exercise was HKD3.57 (30 June 2014: HKD3.57) per share.
- (b) On 22 March 2010, the Board of the Company resolved to adopt a Restricted Share Award Scheme, pursuant to which existing shares are purchased from the market and be held in trust for the relevant selected employees, until such shares are vested in accordance with the provision of the scheme. 20,147,300 shares (for the six months ended 30 June 2014: 25,524,000 shares) were granted to the selected employees of the Group for the six months ended 30 June 2015. As at 30 June 2015, 37,108,025 shares (30 June 2014: 36,679,225 shares) were granted but not yet vested under the scheme.
- (c) The Hong Kong Companies Ordinance (Cap. 622) (the "new Companies Ordinance") was commenced operation on 3 March 2014. Under the new Companies Ordinance, the concept of authorized share capital no longer exists. In addition, according to Section 135 of the new Companies Ordinance, the Company's shares no longer have a par or nominal value. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition. Besides, in accordance with the transitional provisions set out in Section 37 of Schedule 11 to the new Companies Ordinance, any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

13 Capital Securities

On 13 May 2011, Sino-Ocean Land (Perpetual Finance) Limited, a wholly owned subsidiary, issued the perpetual bonds (the “capital securities”) callable in 2016, with an initial aggregate principal amount of USD400,000,000, equivalent to RMB2,532,866,000.

Such capital securities are guaranteed by the Company, at the same time bear distribution at a rate of 10.25% per annum, payable semi-annually. The issuer of the capital securities may elect to defer distribution, and is not subject to any limits as to the number of times distribution can be deferred.

As the Group has no contracted obligation to repay its principal or to pay any distributions, the capital securities do not meet the definition as financial liabilities under HKAS 32 under the term of the capital securities. As a result, the whole instrument is classified as equity, and respective distributions if and when declared are treated as equity dividends.

The Group had not elected to defer the distribution payments for the capital securities for the semi-annual period ended 13 May 2015, and such distribution had been fully settled as at 30 June 2015.

14 Borrowings

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Non-current	40,379,134	34,437,176
Current	5,668,253	11,166,668
	46,047,387	45,603,844

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June 2015 RMB'000	2014 RMB'000
At beginning of the period	45,603,844	35,294,834
New bank loans raised	3,186,543	8,050,953
Other loans raised (b)	9,056,871	12,310,236
Bond issuance (c)	7,165,981	–
Repayment of bank loans	(5,723,150)	(8,288,736)
Repayment of other loans	(9,014,998)	(3,311,690)
Partial disposal of interests in a subsidiary (Note 23)	(4,285,100)	–
Changes of carrying value of corporate bonds	57,396	37,947
At end of the period	46,047,387	44,093,544

14 Borrowings *(Continued)*

- (a) As at 30 June 2015 and 31 December 2014, long-term and short-term borrowings amounting to RMB16,403,112,000 and RMB11,711,354,000 were secured by investment properties (Note 8), properties under development, and completed properties held for sale of the Group.
- (b) During the six months ended 30 June 2015, other loans amounting to RMB294,000,000, RMB7,923,484,000 and RMB839,387,000 are raised from certain third parties, financial institutions and joint ventures, respectively. Such loans bear interest rates from 3.5% to 9.5% per annum, and are repayable before 31 July 2024.

During the six months ended 30 June 2014, other loans amounting to RMB72,236,000 and RMB12,238,000,000 are raised from certain third parties and financial institutions, respectively. Such loans bear interest rates from 7.5% to 12% per annum, and are repayable before 15 November 2018.

- (c) In January 2015, Sino-Ocean Land Treasure Finance II Limited, a wholly-owned subsidiary, issued a guaranteed note with principal amount of USD500,000,000 at an interest rate of 5.95% per annum due in 2027 (the “2027 Notes”) and another note with principal amount of USD700,000,000 at an interest rate of 4.45% per annum due in 2020 (the “2020 Notes”, together with the 2027 Notes, the “Notes”). The net proceeds of the Notes were USD1,170,569,000 (net of issuance costs of USD 29,431,000). The Notes are unsecured and guaranteed by the Company.
- (d) Interest expense on borrowings for the six months ended 30 June 2015 is RMB1,772,112,000 (six months ended 30 June 2014: RMB1,414,125,000).

15 Trade and other payables

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Trade payables (a)	7,488,395	8,951,250
Accrued expenses	1,644,778	1,864,616
Amounts due to joint ventures (b)	1,386,861	372,445
Amounts due to associates (b)	3,558,199	1,083,999
Amounts due to non-controlling interests (b)	30,986	68,192
Amounts due to government	1,053,244	186,786
Other tax payable	321,791	515,649
Provision for financial guarantee liabilities	48,175	70,756
Other payables	7,614,654	4,661,863
	23,147,083	17,775,556
Less: non-current portion	(59,792)	(13,377)
Current portion	23,087,291	17,762,179

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

15 Trade and other payables *(Continued)*

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 6 months	3,679,007	5,257,787
Between 6 months to 12 months	2,095,114	1,475,718
Between 1 year to 2 years	1,271,077	1,988,544
Between 2 years to 3 years	383,946	160,265
Over 3 years	59,251	68,936
	7,488,395	8,951,250

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

16 Other gains/(losses) – net

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
(Losses)/gains on disposal of subsidiaries	(437)	1,810
Losses on partial disposal of interests in a subsidiary (Note 23)	(2,983)	(44,341)
Gains on disposal of a joint venture	–	2
Gains/(losses) on disposal of financial assets at fair value through profit or loss	195,693	(4,328)
Fair value losses of financial assets at fair value through profit or loss	(62,814)	(18,641)
Realized gains of derivative financial instruments	–	2,102
Fair value losses of derivative financial instruments	–	(589)
Gains on disposal of other investments	–	2,395
Fair value gains of other investments	–	148
Gains on disposal of available-for-sale financial assets	4,050	49,800
Gains/(losses) on disposal of property, plant and equipment	5,297	(3,479)
Exchange gains/(losses)	11,781	(88,330)
Other gains/(losses)	11,237	(505)
	161,824	(103,956)

17 Finance costs

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest expense:		
— Bank borrowings	754,732	914,001
— Other borrowings	1,017,380	500,124
Less: interest capitalized at a capitalization rate of 6.49% (2014: 7.03%) per annum	(1,485,407)	(1,281,870)
	286,705	132,255

18 Income tax expense

Majority of the group entities are subjected to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2015 and 2014. Other companies are mainly subjected to Hong Kong income tax.

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

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Current income tax:		
— PRC enterprise income tax	433,346	460,970
— PRC land appreciation tax	208,982	106,266
Deferred income tax	488,694	390,871
	1,131,022	958,107

19 Earnings per share

(a) Basic

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

	Unaudited Six months ended 30 June	
	2015	2014
Profit attributable to owners of the Company (RMB'000)	2,195,325	2,239,051
Distribution relating to capital securities (RMB'000)	(125,717)	(126,232)
Profit used to determine basic earnings per share (RMB'000)	2,069,608	2,112,819
Weighted average number of ordinary shares in issue (thousands)	7,378,448	7,269,481
Basic earnings per share (RMB per share)	0.280	0.291

Notes to the Unaudited Condensed Consolidated Interim Financial Information

19 Earnings per share *(Continued)*

(b) Diluted

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

	Unaudited Six months ended 30 June	
	2015	2014
Profit attributable to owners of the Company (RMB'000)	2,195,325	2,239,051
Distribution relating to capital securities (RMB'000)	(125,717)	(126,232)
Profit used to determine diluted earnings per share (RMB'000)	2,069,608	2,112,819
Weighted average number of ordinary shares in issue (thousands)	7,378,448	7,269,481
Adjustment for:		
– share options (thousands)	6,258	9,682
– shares held for the Restricted Share Award Scheme (thousands)	1,839	232
Weighted average number of ordinary shares for diluted earnings per share (thousands)	7,386,545	7,279,395
Diluted earnings per share (RMB per share)	0.280	0.290

20 Dividends

On 21 August 2015, the Board has resolved to declare an interim dividend of RMB465,517,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB445,130,000).

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Final dividends paid	980,084	927,722
Proposed interim dividend of RMB0.06 (2014:RMB0.06) per ordinary share	465,517	445,130

21 Financial guarantees

- (a) The Group had the following financial guarantees as at the end of 30 June 2015 and 31 December 2014:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	2,635,281	4,229,375

As at 30 June 2015 and 31 December 2014, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

- (b) As at 30 June 2015, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB 10,222,000,000 (31 December 2014: RMB2,655,500,000). Properties under development owned by these joint ventures and associates are the primary collateral of such borrowings.

22 Commitments

(a) Capital commitments

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Land use rights	–	1,800,300
Properties under development	5,827,513	6,780,339
Contracted but not provided for	5,827,513	8,580,639

(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 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 1 year	612,345	703,150
Between 1 to 5 years	972,496	1,009,981
Over 5 years	1,069,467	618,994
	2,654,308	2,332,125

Notes to the Unaudited Condensed Consolidated Interim Financial Information

23 Partial disposal of interests in a subsidiary

In June 2015, the Group entered into an agreement with Beijing Xuda Real Estate Limited (“Beijing Xuda”), an independent third party, to dispose of a 51% equity interests in Beijing Yuansheng Land Development Co., Limited (“Beijing Yuansheng”), a subsidiary of the Group, at a consideration of RMB1,255,000,000. Upon completion of the disposal, the Group lost control over Beijing Yuansheng. The Group’s share of equity interests in Beijing Yuansheng was decreased from 100% to 49%. The effect of partial disposal of a subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	Six months ended 30 June 2015 RMB'000
Proceeds received in cash on disposal of subsidiary	1,255,000
Fair value of the Group’s remaining interests	1,208,651
Carrying value of the Beijing Yuansheng’s net assets disposed — shown as below	(2,466,634)
Losses on disposal of partial interests in Beijing Yuansheng that resulted in loss of control	(2,983)

The assets and liabilities arising from the disposal are as follows:

	Carrying value RMB'000
Property, plant and equipment	153
Properties under development	3,355,371
Completed properties held for sale	1,543,262
Trade and other receivables	1,296,618
Non-current portion of trade and other receivables	1,996,269
Deferred income tax assets	4,750
Cash and cash equivalents	549,076
Advance receipts from customers	(1,104,444)
Long term borrowings	(4,285,100)
Other payables	(870,172)
Income tax payables	(19,149)
Net assets disposed	2,466,634
Inflow of cash to dispose a subsidiary, net of cash disposed	
Proceeds received in cash	1,255,000
Cash and cash equivalents in a subsidiary disposed of	(549,076)
Net cash inflow on disposal	705,924

24 Related party transactions

Save as disclosed elsewhere, the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2015 and 2014:

(a) Sales of services

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Provision of services:		
– A shareholder	4,313	1,567
– Joint ventures	6,020	22,093
– Associates	40,547	4,183
	50,880	27,843

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

(b) Purchase of services

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
– Joint ventures	221,745	–

Purchase of services represents upfitting service, the terms of which are entered into with related parties in accordance with the terms of agreement.

(c) Key management compensation

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Salaries and other short-term employee benefits	12,533	12,457
Post-employment benefits	670	979
Share-based payment	26,237	18,673
	39,440	32,109

Notes to the Unaudited Condensed Consolidated Interim Financial Information

24 Related party transactions *(Continued)*

(d) Interest income

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest received:		
— Joint ventures	172,115	3,622
— Associates	21,123	57
	193,238	3,679

(e) Transaction with an associate

	Unaudited Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Purchase of property, plant and equipment and properties under development	—	286,600

(f) Loans to related parties

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
— Joint ventures (Note 10)	8,377,741	8,642,355
— Associates (Note 10)	920,907	490,000
	9,298,648	9,132,355

(g) Amounts due from related parties

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
— Subsidiary of a shareholder (Note 10)	—	300,000
— Joint ventures (Note 10)	8,261,528	5,880,494
— Associates (Note 10)	1,441,879	395,419
	9,703,407	6,575,913

24 Related party transactions *(Continued)*

(h) Advance receipts from related parties

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
— A shareholder	29,735	—
— An associate	4,704	—
	34,439	—

(i) Amounts due to related parties

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
— Joint ventures (Note 15)	1,386,861	372,445
— Associates (Note 15)	3,558,199	1,083,999
	4,945,060	1,456,444

(j) Financial guarantees to related parties

As at 30 June 2015, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB10,222,000,000 (31 December 2014: RMB2,655,500,000).

25 Events after the balance sheet date

On 12 August 2015, China Securities Regulatory Commission (中國證券監督管理委員會) approved the issuance of Corporate Bonds by Sino-Ocean Land Limited (the "Issuer"), an indirect wholly-owned subsidiary of the Company (incorporated in the People's Republic of China), with principal amount up to RMB10 billion.

On 18 August 2015, the Issuer and the underwriters have, through the result of a book-building process, determined that the first phase of the Corporate Bonds shall be issued on 21 August 2015 with the aggregate principal amount of RMB5 billion in three series: (i) RMB2 billion 3.78% Corporate Bonds of a five-year term, under which after the end of the third year, the Issuer shall be entitled to increase the coupon rate and the bondholders shall be entitled to sell the bonds back to the Issuer, (ii) RMB1.5 billion 4.15% Corporate Bonds of a seven-year term, under which after the end of the fifth year, the Issuer shall be entitled to increase the coupon rate and the bondholders shall be entitled to sell the bonds back to the Issuer, and (iii) RMB1.5 billion 5.00% Corporate Bonds of a ten-year term.

List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names former (Chinese)	Project names former (English)
1	Beijing-Tianjin-Hebei Region	Beijing	CBD Z6 地塊(北京)	CBD Plot Z6 (Beijing)		
2			CBD Z13 地塊(北京)	CBD Plot Z13 (Beijing)		
3			昌平未來科技城F2項目(北京)	Changping Sci-tech Park F2 Project (Beijing)		
4			通州核心區地塊(北京)	Core Center Plot, Tongzhou District (Beijing)		
5			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
6			密之雲項目(北京)	Mizhiyun Project (Beijing)		
7			石景山區劉娘府項目(北京)	Liuniangfu Project, Shijingshan District (Beijing)		
8			通州臨空新村31地塊(北京)	Linkongxincun No. 31 plot, Tongzhou District (Beijing)		
9			遠洋•萬和公館(北京)	Ocean Crown (Beijing)	大望京項目	Dawangjing Project
10			遠洋新幹線(北京)	Ocean Express (Beijing)		
11			遠洋•萬和城(北京)	Ocean Great Harmony (Beijing)		
12			遠洋公館(北京)	Ocean Honored Chateau (Beijing)		
13			遠洋國際中心(北京)	Ocean International Center (Beijing)		
14			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
15			遠洋山水(北京)	Ocean Landscape (Beijing)		
16			遠洋•沁山水(北京)	Ocean Landscape Eastern Area (Beijing)	遠洋•沁山水 E02/03 項目	Ocean Landscape Eastern Area E02/03 Project
17			遠洋•LA VIE(北京)	Ocean LA VIE (Beijing)		
18			遠洋•傲北(北京)	Ocean Manor (Beijing)	北七家	Beiqijia Project
19			遠洋萬和四季(北京)	Ocean Melody (Beijing)		
20			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
21			遠洋•光華國際(北京)	Ocean Office Park (Beijing)		
22			遠洋•東方公館(北京)	Ocean Oriental Mansion (Beijing)	通州玉橋項目	Tongzhou Yuqiao Project
23			遠洋•天著(北京)	Ocean Palace (Beijing)	亦庄三羊項目	Yizhuang Sanyang Project
24			遠洋大廈(北京)	Ocean Plaza (Beijing)		
25			遠洋春天著(北京)	Ocean Spring (Beijing)		
26			遠洋未來廣場(北京)	Ocean We-life Plaza (Beijing)		
27			遠洋一方(北京)	POETRY OF RIVER (Beijing)		
28			遠洋•新悅(北京)	The Place (Beijing)	遠洋一方東區	Poetry of River Eastern Area

Region	Cities	Project names (Chinese)	Project names (English)	Project names former (Chinese)	Project names former (English)
29	Tianjin	濱海新區港濱路項目 (天津)	Gangbin Road Project, Binhai New District (Tianjin)		
30		遠洋香奈(天津)	Ocean Chanson (Tianjin)	奧萊二期居住項目	Outlets Phase II Residential Project
31		遠洋城(天津)	Ocean City (Tianjin)		
32		遠洋新幹線(天津)	Ocean Express (Tianjin)		
33		遠洋•萬和城(天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project
34		遠洋國際中心(天津)	Ocean International Center (Tianjin)		
35		遠洋風景(天津)	Ocean Prospect (Tianjin)		
36		遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)		
37		紅熙郡一期(天津)	Royal River Phase I (Tianjin)	武清項目	Wuqing Project
38		紅熙郡二期(天津)	Royal River Phase II (Tianjin)		
39		北辰宜興埠項目(天津)	Yixinbu Project, Beichen District (Tianjin)		
40	Dalian	遠洋•鑽石灣(大連)	Ocean Diamond Bay (Dalian)		
41		遠洋假日養生莊園(大連)	Ocean Holiday Manor (Dalian)	遠洋•拉斐莊園	Ocean Valley Lafite
42		遠洋壹中心(大連)	Ocean MIDTOWN (Dalian)	西山項目	Xishan Project
43		遠洋廣場(大連)	Ocean Plaza (Dalian)		
44		遠洋風景(大連)	Ocean Prospect (Dalian)		
45		遠洋自然(大連)	Ocean Seasons (Dalian)		
46		遠洋時代城(大連)	Ocean TIMES (Dalian)	大學城項目	University Zone
47		紅星海世界觀(大連)	Ocean Worldview (Dalian)		
48		遠洋創智高地(大連)	Sino-Ocean Technopole (Dalian)	IT產業園 – 工業部分	IT Zone – Industrial
49		小窯灣項目(大連)	Xiaoyao Bay Project (Dalian)		
50		榮域(大連)	The Place of Glory (Dalian)	中華路3號地(大連)	Zhonghua Road Land Plot #3
51		中華路2號地(大連)	Zhonghua Road Plot #2 (Dalian)	遠洋溫德姆至尊豪庭大酒店	Wyndham Grand Plaza Royale Sino-Ocean
52	Shenyang	遠洋天地(瀋陽)	Ocean Paradise (Shenyang)		
53		遠洋公館(瀋陽)	Ocean Residence (Shenyang)		
54	Changchun	遠洋•戛納小鎮(長春)	Ocean Cannes Town (Changchun)	長春淨月項目	Jingyue Project

List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names former (Chinese)	Project names former (English)
55	Central Region	Shanghai	遠洋•博望(上海)	BOND CASTLE (Shanghai)		
56			遠洋鴻郡(上海)	Dreaming Land (Shanghai)		
57			惠南項目(上海)	Huinan Project (Shanghai)		
58			遠洋•香奈印象(上海)	Ocean Chanson Mansion (Shanghai)	楊行鎮項目	Yanghangzhen Project
59			遠洋•財富中心(上海)	Ocean Fortune Center (Shanghai)		
60			遠洋7號(上海)	Ocean Mansion No.7 (Shanghai)		
61			Hangzhou	大運河商務區項目(杭州)	Canal Business Center Project (Hangzhou)	
62	江幹區丁橋R21-15項目(杭州)	Dingqiao R21-15 Project, Jianggan District (Hangzhou)				
63	遠洋•大河宸章(杭州)	Grand Canal Milestone (Hangzhou)		大河宸章	Hang Yimian	
64	遠洋心裡(杭州)	Ocean In Your Heart (Hangzhou)		普福項目	Pufu Project	
65	遠洋公館(杭州)	Ocean Mansion (Hangzhou)		遠洋公館	Canal Commercial District	
66	Nanjing	江幹區彭埠項目(杭州)	Pengbu Project, Jianggan District (Hangzhou)			
67		江寧區高新園G98項目(南京)	Gaoxinyuan G98 Project, Jiangning District (Nanjing)			
68		Huangshan	遠洋桃花島(黃山)	An Island Paradise (Huangshan)	桃花島項目	Taohuadao Project
69		Qingdao	遠洋公館(青島)	Ocean Honored Chateau (Qingdao)		
70			遠洋風景(青島)	Ocean Prospect (Qingdao)		
71	遠洋自然(青島)		Ocean Seasons (Qingdao)			
72	黃島區五臺山路地塊(青島)		Wutaishan Road Plot, Huangdao District (Qingdao)			
73	Wuhan	賀家墩項目(武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project	
74		遠洋莊園(武漢)	Ocean Manor (Wuhan)			
75		遠洋•世界(武漢)	Ocean World (Wuhan)			
76	Southern Region	Shenzhen	遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
77			盛平項目(深圳)	Shengping Project (Shenzhen)		
78			水灣項目(深圳)	Shuiwan Project (Shenzhen)		
79		Guangzhou	粵隆客車廠項目(廣州)	Yuelong Project (Guangzhou)		
80	Zhongshan	遠洋香堤(中山)	Ocean Aromos (Zhongshan)	連興園項目	Lianxingwei Project	
81		遠洋錦上(中山)	Ocean Bloom (Zhongshan)	東鳳項目	Dongfeng Project	
82		遠洋翠麗郡一期(中山)	Ocean Emerald Phase I (Zhongshan)	南頭項目	Nantou Project	
83		遠洋翠麗郡二期(中山)	Ocean Emerald Phase II (Zhongshan)			
84		遠洋城(中山)	Ocean City (Zhongshan)			
85	遠洋啟宸(中山)	Ocean New Era (Zhongshan)	橫欄項目	Henglan Project		
86	新家園II期項目(中山)	Xinjiaoyuan Phase II (Zhongshan)				
87	Hong Kong	將軍澳區日出康城六期(香港)	LOHAS Park Package 6, Tseung Kwan O (Hong Kong)			
88	Haikou	遠洋華墅(海口)	Ocean Zen House (Haikou)	遠洋浮木陣	Ocean Driftwood Array	
89	Sanya	遠洋公館(三亞)	Ocean Mansion (Sanya)	遠洋奧林匹克館	Ocean Olympics	
90		棠棣項目一期(三亞)	Tang Di Project (Sanya)			
91	Chongqing	九龍坡區高廟地塊(重慶)	Gaomiao Plot, Jiulongpo District (Chongqing)			
92		遠洋高爾夫國際社區(重慶)	Sino-Ocean International GOLF Resort (Chongqing)	國際高爾夫項目	Golf Club Project	
93	Chengdu	睿東中心(成都)	Pinnacle One (Chengdu)	大慈寺項目	Dacisi Project	
94		成都遠洋太古里(成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)			

