



遠洋集團

遠洋集團控股有限公司

SINO-OCEAN GROUP HOLDING LIMITED

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

Stock Code: 03377

Interim Report 2016

NEW  
VENTURES  
TIMELY  
CHANGES

# GATHERING MOMENTUM FOR NEW VENTURES









TIMELY CHANGES  
TO ADDRESS  
INADEQUACIES

# About Us

Sino-Ocean Group is one of the leading property developers with developments in key economic regions in the PRC and has accomplished its national strategic plan with a coastal and riparian focus. The Group develops its business with four focuses on property development, investment property development, customer service business and real estate finance. The property development and investment property development 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 provide high-quality products and professional services, Sino-Ocean Group has built up a strong brand in the Beijing-Tianjin-Hebei Region, the Northeast Region, the Central Region and the Southern Region. As at 30 June 2016, we had approximately 20,353,000 sq.m. of landbank, about 99% of which was located in first and second-tier cities.

The Group also actively develops the customer service business to raise service standard and efficiency. In addition, we are also committed to the development of real estate finance to realize our strategic dual drivers of “Business Operation” and “Capital Operation”.

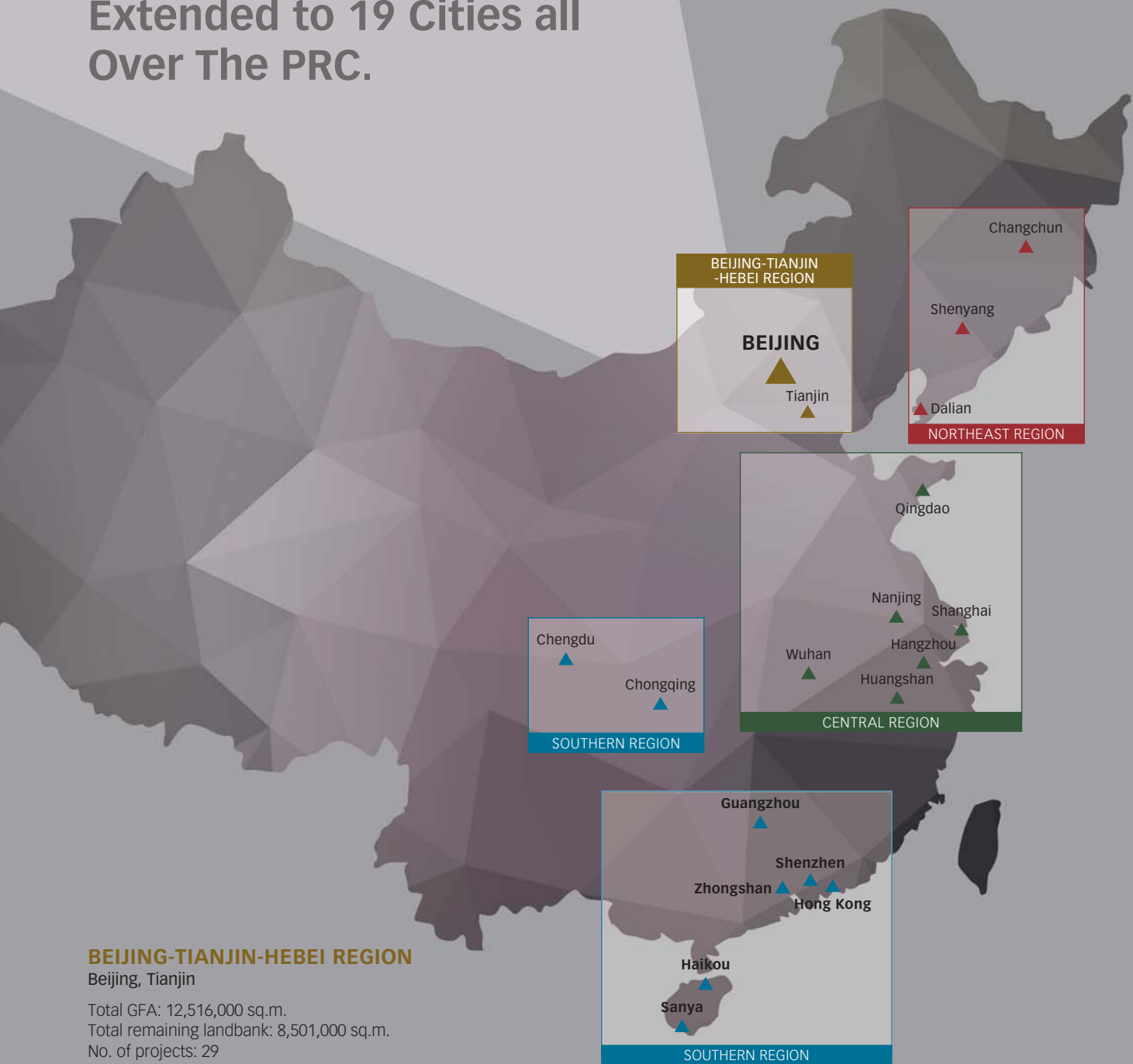
Currently, the Group has been selected as a constituent of the Hang Seng Composite Index (“HSCI”), Hang Seng Composite Industry Index — Properties and Construction, Hang Seng Mainland 100 Index, Hang Seng Composite Mid Cap Index, Hang Seng Global Composite Index and Hang Seng Mainland Property Index.



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# Sino-Ocean Group as a Nationwide Corporation, with Project Coverage Extended to 19 Cities all Over The PRC.



## BEIJING-TIANJIN-HEBEI REGION

Beijing, Tianjin

Total GFA: 12,516,000 sq.m.

Total remaining landbank: 8,501,000 sq.m.

No. of projects: 29

## NORTHEAST REGION

Dalian, Shenyang, Changchun

Total GFA: 8,256,000 sq.m.

Total remaining landbank: 4,697,000 sq.m.

No. of projects: 9

## CENTRAL REGION

Shanghai, Hangzhou, Nanjing, Huangshan, Qingdao, Wuhan

Total GFA: 3,901,000 sq.m.

Total remaining landbank: 3,002,000 sq.m.

No. of projects: 16

## SOUTHERN REGION

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

Total GFA: 7,425,000 sq.m.

Total remaining landbank: 4,153,000 sq.m.

No. of projects: 19



# Financial & Operation Highlights

(RMB million)	Six months ended 30 June (unaudited)		
	2016	2015	% changes
Contracted sales	20,630	13,807	49%
Revenue	9,331	15,107	-38%
Gross profit	2,254	3,065	-26%
Profit for the period	1,533	2,191	-30%
Profit attributable to owners of the Company	1,448	2,195	-34%
Core profit	956	1,693	-44%
Earnings per share (RMB)			
— Basic	0.178	0.280	-36%
— Diluted	0.178	0.280	-36%
Dividend per share (HKD)	0.079	0.075	5%
Dividend payout ratio (%)	35%	21%	14 pts
Gross profit margin (%)	24%	20%	4 pts
Net profit margin (%)	16%	15%	1 pt
Core profit margin (%)	10%	11%	-1 pt
Saleable GFA sold ('000 sq.m.)	1,339	1,068	25%
Saleable GFA delivered ('000 sq.m.)	656	1,071	-39%

(RMB million)	As at	As at	% changes
	30 June 2016 (unaudited)	31 December 2015 (audited)	
Total assets	144,483	148,185	-2%
Equity attributable to owners of the Company	42,327	43,764	-3%
Cash resources <sup>1</sup>	18,507	23,726	-22%
Net gearing ratio <sup>2</sup> (%)	52%	59%	-7 pts
Landbank ('000 sq.m.)	20,353	19,921	2%

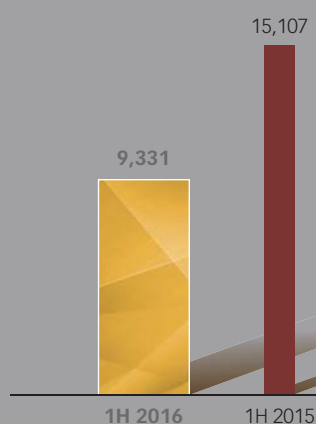
Notes:

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

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

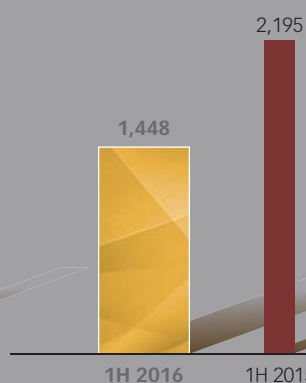
## Revenue

(RMB million)



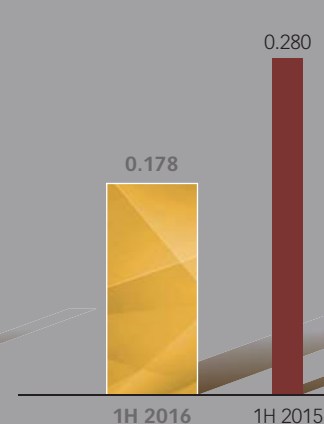
## Profit attributable to owners of the Company

(RMB million)



## Earnings per share

(RMB)



# Chairman's Statement

On behalf of our Board of Directors (the "Board"), I have the pleasure to present the interim results of Sino-Ocean Group Holding Limited ("Sino-Ocean Group" or the "Company") and its subsidiaries (together referred to as the "Group" or "we") for the six months ended 30 June 2016.





## 2016 INTERIM RESULTS

For the six months ended 30 June 2016, the Group's revenue was RMB9,331 million, representing a decrease of 38% as compared to the corresponding period last year. Gross profit margin increased 4 percentage points to 24% and core profit margin was 10%. Profit attributable to owners of the Company was RMB1,448 million, dropping 34% as compared to the corresponding period last year. Earnings per share was RMB0.178.

Based on the profit attributable to owners of the Company during the period, the Board is pleased to propose an interim dividend of HK\$0.079 per share for the six months ended 30 June 2016.

## MARKET REVIEW AND OUTLOOK

In the first half of the year, the Central Government steadily encouraged structural reforms and further changes on the supply-side. In line with the Central Economic Work Conference's policy of "de-stocking, expanding effective demand and stabilizing the real estate market", the nation's policies on real estate continued to relax. The Central Government and local authorities rolled out measures to support residents' reasonable demand on housing. For example, the down payment on the first property in cities where there was no limit on purchase was as low as 20% in February and policies on property transactions and business taxes in non-first-tier cities were relaxed. At the same time, reforms on the housing system progressed steadily and mechanisms with long-term effects were improved. The government introduced regulations on the cultivation and development of the residential rental market.

# Chairman's Statement

As a whole, the market was looking up and transaction volume maintained at a high level in the first half of the year as favorable policies continued to roll out. Data from the National Bureau of Statistics of China indicated that accumulated gross floor area ("GFA") of commodity housing sold from January to June reached 643 million sq.m., representing an increase of 27.9% year-on-year. Total accumulated sales of commodity housing sold were RMB4,868.2 billion, 42.1% higher than the previous period. Both transaction volume and prices increased.

In the meantime, market differentiation was still evident during the period. Stock of commodity housing in first-tier and some prime second-tier cities was at a reasonable level as these cities had purchasing power and the demand for upgrading was strong. As a result, the market was strong. Pressure to de-stock in third and fourth-tier cities and other second-tier cities was still heavy as their stock level was high, ability to draw residents was limited and effective demand for properties was inadequate. Local authorities pushed policies at different times in different cities, resulting in noticeable policy differentiation. First-tier cities such as Shanghai and Shenzhen exercised more rigorous restrictive policies and differentiated credit policies. Some prime second-tier cities such as Suzhou, Nanjing and Hefei rolled out measures to restrict prices of properties and land and tightened credit policies to evade the risk of overheating local markets. Other cities still concentrated on de-stocking and pushing sales. The supply-side adopted a policy of differentiating land supply to control supply. The demand-side boosted demand through credit easing and tax concessions.

Looking ahead to the second half of the year, while central banks in key countries are still adopting monetary easing policies, the central bank in China will still maintain a steady monetary policy. As the supporting role of real estate in the economy must not be overlooked, we expect the real estate policies will be mild in general. However, when excessive demand and a wait-and-see attitude led to a slow down in transaction volume in the first six months, some first and second-tier cities tightened their policies, showing the government's concern for the over-heated market which in turn curbed the market's sentiments. The Group believes that property price rise in the next six months will be leveled, and transaction volume of the whole market may face a downward adjustment from the high level. Differentiation among cities will continue. The stock in key cities should be under control and may even ease off but remains high in some second-tier and third and fourth-tier cities.

## BUSINESS REVIEW AND STRATEGY

Based on the requirements of the fourth phase of strategic development and an analytical judgment of the market, the Group persisted the principles of 'prioritizing efficiency, making changes proactively, operating prudently, managing risks, making long-term decisions and seeking ultimate standards' while implementing our operation management tasks in the first half of 2016 and made certain breakthroughs in various business segments.

### Property development

The Group benefited from a series of effective sales strategies and continually improved execution capability, contracted sales during the period reached RMB20.6 billion, completing 46% of the whole year's target and achieving the Group's best first six-month performance in the history. The average selling price was RMB15,400 per sq.m., representing a 19% increase as compared to the corresponding period in 2015. In the latter half of the year, the Group will have a better grasp on the market in various cities and regions through market studies in order to encourage the sales of stock, so as to strengthen its position in the market and increase revenue.

## Investment property development

During the period, the Group actively tracked and augmented numerous quality projects. As at July we acquired Lize Business District Project in Beijing, East Ocean Centre and Ke En Project in Shanghai and expected for considerable appreciation after remodeling and upgrading. In the meantime, the Group adopted the new system for data collection and analysis and continued to enhance operating capabilities. The average effective daily rental increased remarkably, with projects in the core districts in Beijing grew more than 30%. Our commercial properties managed to record new highs in monthly sales. In the next six months, the Group will still focus on investment opportunities in large scale commercial complexes in core cities. While expanding continually on our branding, we will look for investment partners of high caliber to increase investment in the investment property development.

## Customer service business

Ocean Homeplus Property Service Corporation Limited was officially listed on the National Equities Exchange and Quotations System on 9 May 2016. At the same time, E-Housekeeper, the on-line service platform developed by the Group extended to full coverage, which indicated that advanced information technology was successfully applied to service business and gained market acceptance. As we accumulated operational experience and raised service capabilities, the Group make some breakthroughs in its senior living business. We continued to expand our presence in Beijing, Shanghai and Dalian. As the reputation of Senior Living L' Amore grew from strength to strength, the occupancy of establishments in operation was on an upward trend. The Senior Living L' Amore project in Yizuang was already fully occupied. As regards construction work, benefitting from a mature product line design, completion time for projects under construction and remodeling was halved thus cutting costs significantly. In the next six months, we will continue to uncover growth potentials in various service businesses, to establish ourselves as a property manager that knows the customers' needs and is innovative in building brand influence and creating economy of scale.

## Real estate finance

The Group's dual drivers "Business Operation" and "Capital Operation" were showing initial results in acquiring new development funds, reducing occupation of capital and lowering cost of capital. In the first half of the year, the real estate finance and property development worked together to fully utilize capital leverage to lock-in high quality resources, including Xiang He Wan Run Project in Beijing. As regards equity investment, the Group became a cornerstone investor of China Huarong Asset Management Co. Ltd. ("Huarong") last year. With the coordination with Huarong, the Group acquired the Ke En office premise in Shanghai. The two companies will work even more closely on dealing with non-performing assets and on synergy in property development. The Group as the largest cornerstone investor subscribed for the shares of China Logistics Property Holdings Co. Ltd, a leading supplier of logistics facilities, at a total consideration of approximately HK\$940 million in July. The two companies will complement each other in the management of property operation and logistics facilities for mutual benefits. In the latter half of the year, real estate finance will take on a larger mission of creating synergy within the Group and also among strategic partners for higher returns.

## Review of management

### New branding energized business development

As the fourth phase of strategic development was well underway, the structure of a "diversified business with four focuses" was well and truly formed. To better coordinate our branding and the Group's strategic business development and better alignment of the Group's brand and strategy, expansion of our brand pattern and influence of our various businesses, the Group completely revamped brand positioning, content, image and structure and successfully completed "new branding" in the first half of the year. After the revamp, the Group's brand structure, comprising Sino-Ocean Group, Sino-Ocean Real Estate, Sino-Ocean Commercial Property, Sino-Ocean Capital, Sino-Ocean Service and Sino-Ocean Construction, will influence customers accurately and seize the market.

# Chairman's Statement

## Starting an era of healthy living

To keep up with industry trend and customers' needs, the Group will focus on "users' needs" in building its products in the future and will pay attention to the "value of life". We are the first to apply WELL health standards and have adopted it on Elite Palace (Guangzhou). Moreover, the Group will fully cooperate with DELOS, a US company upholding the WELL standards, to promote the Chinese version of WELL and health laboratories. We will make health a major feature of our products and be the industry leader in providing differentiating products to start an era of healthy living.

## Conducting full-scale customer studies

To stay connected with the ever-changing market and industry conditions and to raise product competitiveness, the Group has conducted full-scale customer studies. Taking the position to satisfy all customers' needs, we design and develop products in sync with customers' experience. Currently, the Group has developed a "city map" relevant to our own projects and tools for customer segmentation, which will enable an integrated study connecting acquisition of projects, development, construction, sales and after-sales services. This will in turn support a more precise series of work to follow, from investment decision, product construction, to sales and marketing and customer services. The Group will continue to put customers as the top priority as we did from the onset, focus on their needs, raise their satisfaction in all aspects and augment brand persuasion.

## Resolute in upholding investment principles

During the period, the land market continued to be buoyant and bidding was vigorous. In the first six months, data showed that, there was a total of 107 land plots nation-wide, which each consideration was over RMB1.5 billion and transacted with a premium rate exceeding 50%, at a total consideration of RMB341.3 billion. High cost projects and more acute market sensitivity posed severe challenges to property developers and increased risk worries. The Group remained calm and rational and adhered to its investment principles. At the same time, we broadened our views and looked at investment opportunities outside of the public markets such as regeneration of old towns and merger and acquisition. With net profit as our clear goal, we were agile in making moves and replenished resources at low costs. As at July this year, the Group acquired nine new projects in first-tier and prime second-tier cities through open market, merger and acquisition, old town redevelopment, etc. with new landbank replenished of approximately 1.7 million sq.m. We were resolute not to go for the most expensive plots in the open market. Floor price and premium of the new projects were way below the average of benchmarking enterprises, giving us an advantage in both cost and risk control.

## Appreciation

As more uncertainties of the macro-economics arise and the industry faces swift changes, the road ahead is not without difficulties. Apart from the courage to build new ventures and total commitment to make timely changes, we need all our shareholders' and business partners' continued support. Once again we are grateful for shareholders' trust and support which encourage us to fight for the future and to create value for shareholders, staff and customers.

**LI Ming**  
*Chairman*

18 August 2016, Hong Kong

# Corporate Social Responsibility Report



In line with the Group's annual theme of "New Ventures and Timely Changes" for 2016, we optimized our operations in a professional manner for the fulfilment of our corporate social responsibility and the achievement of economic, social and environmental benefits in concert with our stakeholders, as we persisted in communication and coordination with our seven major stakeholders, namely, our investors, government, employees, customers, environment, partners, and community based on reviews on our implementation of our corporate social responsibility and judgements on current developments in the domestic and international scenes.

## **IN THE TRUE TRADITION OF CARING ABOUT PEOPLE'S LIVELIHOOD WE SERVE THE PUBLIC TO EMANATE WARMTH**

While cultivating the Beijing-Tianjin-Hebei market, we have always followed the nation's policies on people's livelihood closely. In supporting the call to "prioritize the provision of mid-to-low priced and configured general commodity housing", the Xiji double-limitations and affordable housing project will offer 1,506 such units, commercial facilities and senior living accommodation. We are steadfast in honoring our pledge and social responsibilities.

## **REGIME FOR SUSTAINABLE DEVELOPMENT TO PROTECT INVESTORS' INTERESTS**

More evidences have emerged to suggest the correlation between a high rating in environmental protection, social responsibility and corporate governance and low capital expenditure. More and more investors have been convinced that focusing on environmental, social and governance-related principles is conducive to the accomplishment of investment objectives.

In further pursuit of the fourth phase of strategic development and in compliance with the information disclosure requirements of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group commissioned a research on environmental, social and governance-related benchmarks in May 2016 and established a regime for sustainable development, to be under the direct leadership of a Committee for Sustainable Development formed by members of the Group's senior management. The benchmark data from the research will be recorded in our system to facilitate further regulation of our regime, so that we will continue to be a leader for social responsibility and explore the best pathways for sustainable development in association with our partners.

# Corporate Social Responsibility Report

## HEALTHY LIFESTYLE IN HEALTHY RESIDENTIAL BUILDINGS

In December 2015, we became the first PRC property developer to introduce the WELL building standards to China and entered into a strategic cooperation agreement with DELOS, the setter of these standards, in a major effort to promote the application of WELL standards in the country. In the foreseeable future, the WELL health standards and the idea of healthy residential living embodied therein will underpin our strategic positioning and be incorporated in our corporate development. We organized a series of training and study sessions on the WELL health standards to enhance the general application of these standards by our teams.

To encourage employees to follow a green and healthy lifestyle and to live and work in contentment with a positive attitude, the "Green Footprint in a Healthy Office" environmental campaign was launched in June 2016. Highlighted by the "Mount Everest" initiative, the campaign was focused on the promotion of a green office and healthy practices for office workers. Employees participated extensively in the campaign as they were encouraged to engage in fitness exercises and to reduce energy and carbon consumption.

## LEADING THE WAY IN THE PERFORMANCE OF SOCIAL RESPONSIBILITY THROUGH SHARING AND EXCHANGE

On 1 June 2016, our "Corporate Social Responsibility Report 2015" was awarded the highest 5-star rating by the Chinese Academy of Social Sciences, which represented strong recognition for our excellence in the management and practice of social responsibilities. In July, our Operation Centre for Corporate Social Responsibility and our Technology and Cost Centre organized a corporate social responsibility symposium with a number of longstanding suppliers to exchange views on the concept of social responsibility and related management models, with all parties gaining new insights for the performance of their respective social responsibilities.

## VARIETY IN CUSTOMERS' ACTIVITIES FOSTERING A JOYOUS LIFE

In line with our mission to serve with our heart and to build homes for the sake of charity, and in firm adherence to the customer-oriented principle, we continued to improve the "Eight Steps in Customer Service," discharging our duties with care and making diligent efforts to resolve customers' issues and organize activities in great variety to foster a joyous life for them.

Our wide range of leisure activities for patrons (such as Tai Qi classes, football tournaments, choruses, singing contests, summer trips and citizenship programmes for kids, etc.) have brought a growing number of different customers and groups under the name of Sino-Ocean to share in happy moments.

## WALK FOR CHARITY AND AID FOR THE AGED: VOLUNTARY SERVICES UNDERPINNED BY LOVE AND COMPASSION

We have participated the "Walk for Charity" campaign for 5 years. The latest event of the "Walk for Charity" campaign was held on 17 April 2016. More than 100 employees continued to take part in the walk and donation this year for the aid of patients suffering from haemophilia, pleading for charity and care for patients with haemophilia and an opportunity for every patient to receive proper treatment. In the meantime, complete body checks comprising tests of various health indicators and preventive treatments were provided to patients with haemophilia free of charge by our clinic, Health In Here.







As the population continues to grow in age, ensuring genuine care and support for our senior citizens has become a grave social issue. We joined forces with a number of non-government organizations and volunteer organizations to care for and help the elderly, with a view to securing a healthy, peaceful and dignified retirement life for them. In May 2016, the “Backbones of China” health support programme was officially commissioned, as we paid visits to veterans from the Anti-Japanese War in 35 families and provided them with professional body checks and medical consultation services free of charge, as well as gifts of foodstuff and daily commodities. Concerned mainly with health issues of the aged, the “Backbones of China” health support programme will continue to care for groups such as veteran soldiers, academics and artists in the country.

## **NURTURING OUR YOUTH FOR THE FUTURE THROUGH THE MEDIUM OF MUSIC**

In addition to our two prime projects, “Seafaring Students-in-action Incentive Scheme” and “Love for Singing”, we further organized a “Youngsters Love Singing” campaign in 2016 with unprecedented scale. Teams of university students from 50 tertiary institutions across the country gave 100 “Youngsters Love Singing” shows in 50 regions nationwide, bringing art to thousands of families and allowing the young voices to ring through China for the benefit of university students, rural

students as well as residents in remote areas. The campaign operated across the educational chain of primary, secondary and tertiary students, giving young university students a fine opportunity for self-fulfillment while calling for awareness of educational needs in remote areas influencing more communities.

## **THE REFRESHING NEW BRANDING STRUCTURE AUGURS WELL FOR THE FUTURE**

To facilitate the matching between brands and strategies, highlight the trends of our business development, and fulfill our brand objective of mapping out the future through enterprise endeavours, we commissioned the “Brand Revamping” scheme to revisit and reposition the branding structure of Sino-Ocean. On 16 June 2016, the brand revamp presentation of the Group, entitled “Change for the Age of Healthy Life,” was held at the central pavilion of 751 D-park in Beijing, as the Group publicly elucidated the relevant concepts for the first time after the brand revamp exercise. More than 400 guests, comprising industry experts, representatives of industry associations, national media, partners, property owners and customer representatives, attended the event to witness a brand new chapter in Sino-Ocean’s development embracing the age of healthy life, featuring our majestic blueprint for the new era underpinned by “healthy architecture.”

# Management Discussion & Analysis

## FINANCIAL REVIEW

### Revenue

The components of the revenue are analyzed as follows:

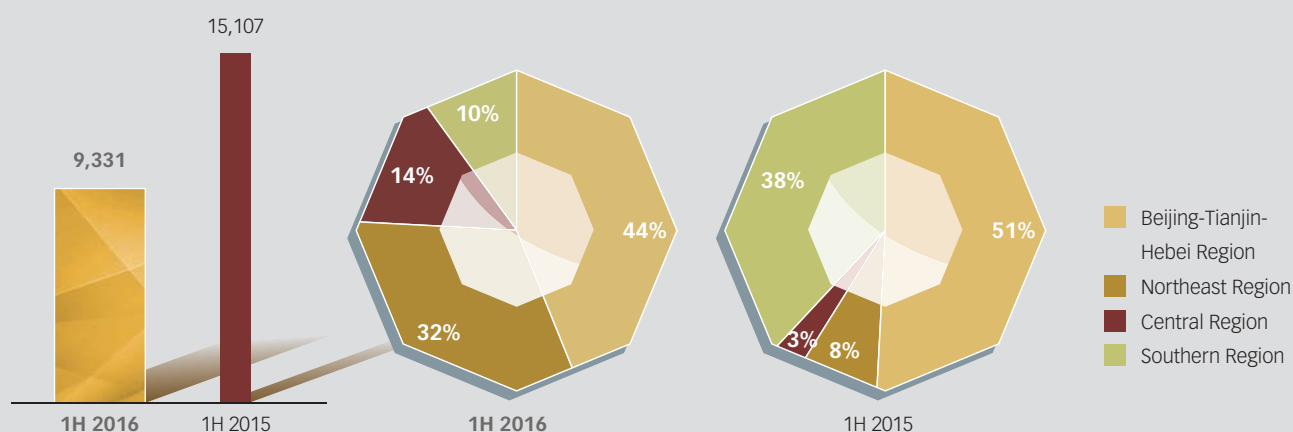
(RMB million)	1H 2016	1H 2015	Change (%)
Property development	7,783	14,042	-45%
Property investment	447	365	22%
Property management	378	337	12%
Other real estate related businesses	723	363	99%
<b>Total</b>	<b>9,331</b>	<b>15,107</b>	<b>-38%</b>

The Group's revenue in the first half of 2016 was RMB9,331 million, representing a 38% decrease as compared to RMB15,107 million in the first half of 2015. The decrease was due to the fact that more property development projects will be delivered in the second half of the year. With the Group's exit of third and fourth-tier cities and the projects recently acquired in first and core second-tier cities commencing to deliver in the second half of the year, we expect the revenue scale to resume. The property development segment remained the largest contributor which accounted for approximately 83% of the Group's total revenue. Contribution from property investment segment began to increase. Beijing as our home base accounted for approximately 36% of the Group's total

revenue in the first half of 2016 (first half of 2015: 40%) and amounted to RMB3,392 million (first half of 2015: RMB6,026 million). As we have developed a diversified portfolio of landbank, contributions from other first and second-tier cities remained stable. For the first half of 2016, contributions of revenue from cities including Tianjin, Dalian, Nanjing, Shenzhen and Zhongshan amounted to RMB4,726 million, accounting for approximately 51% of total revenue (first half of 2015: 54%). We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

Revenue contributions by geographical locations are analyzed below:

(RMB million)



## Cost of sales

In line with the revenue and its components, the cost of property development for the first half of 2016 decreased to RMB5,993 million (first half of 2015: RMB11,295 million), which mainly comprised land cost and construction cost, accounted for 85% of the Group's total cost of sales during this period (first half of 2015: 94%). Excluding car parks, average land cost per sq.m. of the property development segment during the period decreased to approximately RMB3,900 as compared to RMB4,400 in the first half of 2015 due to more properties delivered from the recent acquired projects at relatively lower cost during market downward cycle. Average construction cost per sq.m. (excluding car parks) for property development segment was approximately RMB5,100 during the period and remained relatively constant with RMB5,300 in the first half of 2015.

## Gross profit

Gross profit margin rebounded to approximately 24% (first half of 2015: 20%) due to more delivery of low land cost projects during the period. Gross profit for the period was RMB2,254 million, representing a decrease of 26% as compared to the corresponding period in 2015.

## Other income and other losses (net)

Interest and other income for the six months ended 30 June 2016 increased by 82% to RMB800 million (first half of 2015: RMB440 million). Such increase was mainly due to the overall increase in the interest income.

The Group recorded other losses (net) of RMB206 million (first half of 2015: other gains (net) of RMB162 million). Other losses (net) mainly comprised the exchange losses recognized during the period.

## Revaluation of investment properties

The Group recognized an increase in fair value on its investment properties (before tax and non-controlling interests) of RMB1,067 million for the first half of 2016 (first half of 2015: RMB315 million).

## Operating expenses

Selling and marketing expenses for the first half of 2016 increase to RMB218 million, as compared to RMB176 million in the first half of 2015. These costs accounted for approximately 1.1% of the total contracted sales amount for the first half of 2016 (first half of 2015: 1.3%).

Administrative expenses for the first half of 2016 slightly decreased to RMB323 million (first half of 2015: RMB346 million), representing 3.5% of total revenue for the first half of 2016 (first half of 2015: 2.3%). 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 6.49% to 5.54% for the first half of 2016. The total interest expenses paid or accrued was RMB1,579 million (first half of 2015: RMB1,772 million), RMB312 million (first half of 2015: RMB287 million) of which was not capitalized and charged through condensed consolidated income statement.

# Management Discussion & Analysis

## Taxation

The aggregate of enterprise income tax and deferred tax increased by 8% to RMB993 million for the first half of 2016 (first half of 2015: RMB922 million), with an effective tax rate of 39% (first half of 2015: 30%). The increase in effective tax rate was due to one-off items and other tax non-deductible expenses during the period. In addition, land appreciation tax for the first half of 2016 increased to RMB462 million (first half of 2015: RMB209 million) due to more delivery of high gross profit margin projects during the period.

## Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 34% to RMB1,448 million in the first half of 2016, as compared to RMB2,195 million for the corresponding period last year. Core profit, excluding one-off items and fair value gains on investment properties, decreased 44% to RMB956 million (first half of 2015: RMB1,693 million). Core profit margin was 10% (first half of 2015: 11%). Return on average equity (excluding capital securities) stated at approximately 3.5% in the first half of 2016 (first half of 2015: 5%). 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 2016, 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, the Group successfully issued corporate bond of RMB4 billion in May. We strictly controlled our total borrowing level. Total borrowings dropped significantly from RMB51,926 million as at 31 December 2015 to RMB42,988 million as at 30 June 2016, majority of which were denominated in Renminbi. The remaining borrowings were denominated in HKD and USD. Approximately 70% of the Group's borrowings were made at fixed rate.

As at 30 June 2016, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB18,507 million, the majority of which were denominated in Renminbi, and a current ratio of 1.85 times. Together with the unutilized credit facilities of approximately RMB104,686 million, the 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.

The Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 52% as at 30 June 2016 (31 December 2015: about 59%). We are comfortable with this gearing level given that we had RMB18,507 million cash resources on hand.

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

(RMB million)	<b>As at 30 June 2016</b>	As at 31 December 2015	Change (%)
Within 1 year	<b>6,414</b>	8,566	-25%
1 to 2 years	<b>1,952</b>	9,623	-80%
2 to 5 years	<b>18,176</b>	17,496	4%
Over 5 years	<b>16,446</b>	16,241	1%
<b>Total</b>	<b>42,988</b>	51,926	-17%

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

As at 30 June 2016, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB2,404 million (31 December 2015: RMB2,299 million).

During the first half of 2016, the Group had pledged some of its properties under development, completed properties held for sale, investment properties, etc. to secure short-term bank loans (including the current portion of long-term borrowings) of RMB718 million (31 December 2015: RMB2,111 million) and long-term bank loans of RMB4,942 million (31 December 2015: RMB5,373 million). As at 30 June 2016, total pledged assets accounted for approximately 8% of the total assets of the Group (31 December 2015: 18%).

### Capital commitments

The Group entered into certain agreements in respect of land acquisition and property development. As at 30 June 2016, the Group had a total capital commitment of RMB6,681 million (31 December 2015: RMB7,305 million).

### Contingent liabilities

In line with the prevailing commercial practice in the PRC, the Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 30 June 2016, the total amount of the aforesaid guarantees provided by the Group was RMB2,404 million (31 December 2015: RMB2,299 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon completion of the mortgage registration and were secured by the buyers' properties.

# Management Discussion & Analysis

## BUSINESS REVIEW

### Property Development

#### 1) Recognized sales

Revenue from property development segment dropped by 45% in the first half of 2016 to RMB7,783 million as compared to RMB14,042 million for the corresponding period in 2015, primarily because most projects would be delivered mainly in the second half of the year. Saleable

GFA delivered decreased by 39% from approximately 1,071,000 sq.m. in the first half of 2015 to approximately 656,000 sq.m. in the first half of 2016. Excluding car park sales, the average selling price recognized in the first half of 2016 was approximately RMB13,400 per sq.m. (first half of 2015: RMB14,000 per sq.m.).

Revenue and saleable GFA delivered from each project during the first half of 2016 are set out as follows:

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to the Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	32	614	52,100	100%
		Ocean LA VIE	1,393	18,733	74,400	85.72%
		Ocean Manor	24	1,180	20,300	100%
		POETRY OF RIVER	503	15,067	33,400	100%
	Tianjin	Ocean City	460	58,765	7,800	100%
		Ocean Express	13	2,005	6,500	100%
		Ocean International Center	25	1,700	14,700	100%
		Ocean Prospect	29	3,066	9,500	100%
		Royal River	127	19,134	6,600	100%
			<b>2,606</b>	<b>120,264</b>	<b>21,700</b>	
Northeast Region	Dalian	Ocean Diamond Bay	1,207	120,256	10,000	100%
		Ocean Seasons	7	630	11,100	100%
		Ocean Worldview	527	74,995	7,000	100%
		The Place of Glory	1,012	101,018	10,000	100%
	Shenyang	Ocean Residence	8	1,193	6,700	100%
	Changchun	Ocean Cannes Town	51	3,292	15,500	100%
		<b>2,812</b>	<b>301,384</b>	<b>9,300</b>		

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to the Group (%)
Central Region	Shanghai	Ocean Mansion No. 7	16	888	18,000	100%
		Ocean Fortune Center	243	6,025	40,300	100%
	Hangzhou	Ocean In Your Heart	10	723	13,800	100%
		Ocean Mansion	191	5,590	34,200	100%
	Nanjing	Ocean International Center	485	24,655	19,700	100%
	Huangshan	An Island Paradise	41	4,338	9,500	100%
Qingdao	Ocean Prospect	2	90	22,200	100%	
	Wuhan	Ocean World	254	50,060	5,100	55%
			<b>1,242</b>	<b>92,369</b>	<b>13,400</b>	
Southern Region	Shenzhen	Ocean Express	302	9,805	30,800	84.70%
	Zhongshan	Ocean City	153	14,045	10,900	100%
		Ocean New Era	14	1,311	10,700	100%
	Haikou	Ocean Zen House	17	1,570	10,800	70%
	Sanya	Mountain Creek	256	9,610	26,600	98.27%
			<b>742</b>	<b>36,341</b>	<b>20,400</b>	
Subtotal			7,402	550,358	13,400	
Car parks (various projects)			381	105,242	3,600	
<b>Total</b>			<b>7,783</b>	<b>655,600</b>	<b>11,900</b>	

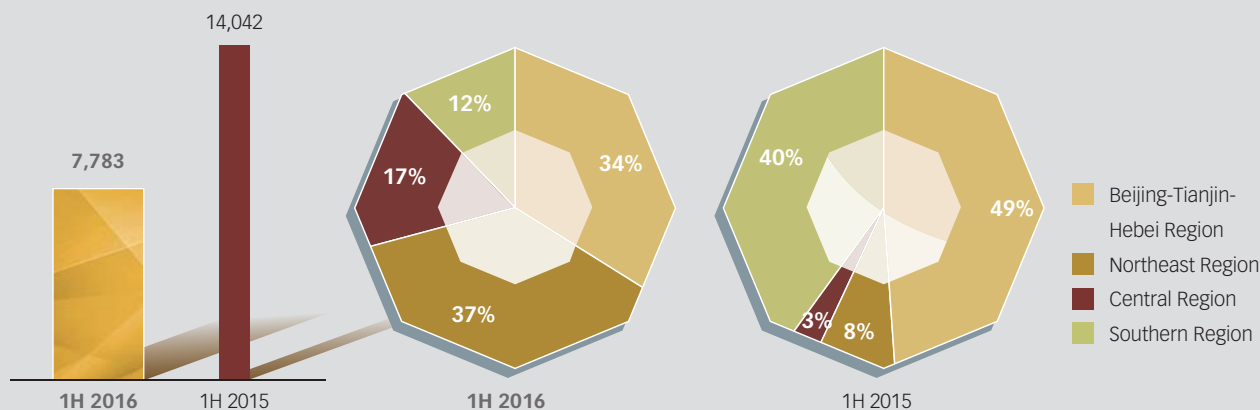
During the first half of 2016, Beijing remained the largest contributor which accounted for 26% of the Group's total revenue from property development (first half of 2015: 37%). Meanwhile, we are seeing more balanced mix of

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

# Management Discussion & Analysis

Revenue from property development by geographical locations are analyzed below:

(RMB million)



## 2) Contracted sales

Our contracted sales (including our joint ventures and associates) during the six months ended 30 June 2016 amounted to RMB20,630 million, representing an approximately 49% increase as compared to RMB13,807 million from the corresponding period in 2015. GFA sold for the first half of 2016 increased by 25% to 1,338,500 sq.m. (first half of 2015: 1,067,600 sq.m.). Excluding car park sales, the average selling price increased by 17% to RMB16,300 per sq.m. (first half of 2015: RMB13,900 per sq.m.).

In terms of distribution, there were over 45 projects available for sale during the first half of 2016 (first half of 2015: 45 projects), of which 16 were located in Beijing–Tianjin–Hebei Region, accounting for about 47% of the total contracted sales amount, while contracted sales from first and second-tier cities accounted for over 90%



(first half of 2015: over 90%). As at 30 June 2016, the Group's unbooked contracted sales to be recognized amounted to RMB43,182 million, providing a strong and solid foundation for the Group's future revenue growth.



The contracted sales amounts and saleable GFA sold by projects during the first half of 2016 are set out as follows:

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to the Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Epoch	909	11,700	77,700	67.50%
		Ocean LA VIE	1,034	17,100	60,500	85.72%
		Ocean Crown	842	17,100	49,200	100%
		Ocean Manor	93	2,500	37,200	100%
		Ocean Metropolis	1,507	50,400	29,900	75%
		Ocean Palace	864	19,700	43,900	49%
		Core Center Plot, Tongzhou District	2,064	85,800	24,100	50%
		POETRY OF RIVER	18	1,000	18,000	100%
	Tianjin	Ocean City	877	99,800	8,800	100%
		Ocean Chanson	330	24,100	13,700	100%
		Ocean Express	14	2,400	5,800	100%
		Ocean Inside	762	57,700	13,200	60%
		Ocean International Center	278	18,200	15,300	100%
		Ocean Prospect	55	6,100	9,000	100%
		Royal River	63	9,300	6,800	100%
		Yixingbu Project, Beichen District	45	3,500	12,900	51%
				<b>9,755</b>	<b>426,400</b>	<b>22,900</b>

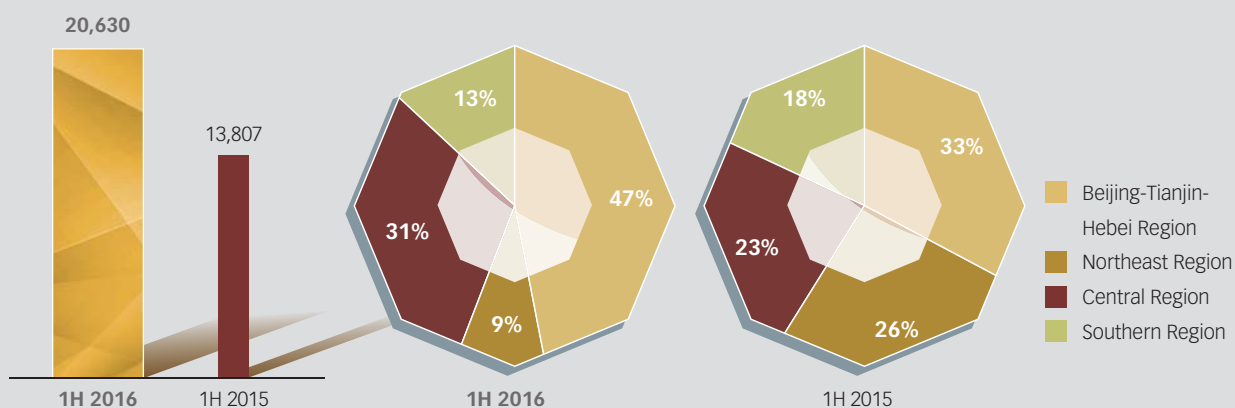
# Management Discussion & Analysis

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to the Group (%)
Northeast Region	Dalian	Ocean Diamond Bay	416	41,600	10,000	100%
		Ocean Worldview	328	49,000	6,700	100%
		The Place of Glory	609	54,300	11,200	100%
	Shenyang	Ocean Paradise	2	1,500	1,300	100%
		Ocean Residence	18	2,300	7,800	100%
	Changchun	Ocean Cannes Town	279	30,000	9,300	100%
			<b>1,652</b>	<b>178,700</b>	<b>9,200</b>	
Central Region	Shanghai	Ocean Melody	1,055	50,500	20,900	40%
	Hangzhou	Ocean Chanson	534	38,900	13,700	51%
		Ocean In Your Heart	10	300	33,300	100%
		Ocean Mansion	50	1,400	35,700	100%
		Ocean Melody	345	16,100	21,400	100%
		Canal Business Center Project	521	17,400	29,900	100%
	Nanjing	Ocean International Center	1,045	44,900	23,300	100%
		Sino-Ocean Land Greenland Premier Court	303	16,300	18,600	50%
	Huangshan	An Island Paradise	10	1,500	6,700	100%
	Qingdao	Ocean Melody	269	31,300	8,600	100%
	Wuhan	Ocean World	367	64,400	5,700	55%
		Hejiadun Project	1,206	95,600	12,600	38%
				<b>5,715</b>	<b>378,600</b>	<b>15,100</b>

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to the Group (%)	
Southern Region	Shenzhen	Ocean Express	4	100	40,000	84.70%	
	Guangzhou	Elite Palace	1,094	33,900	32,300	30%	
	Zhongshan		Ocean Aromas	87	15,100	5,800	51%
			Ocean Bloom	203	39,700	5,100	51%
			Ocean City	4	300	13,300	100%
			Ocean Emerald	197	38,500	5,100	61%
			Ocean Magic City	143	20,900	6,800	51%
	Haikou	Ocean Zen House	101	8,500	11,900	70%	
	Sanya	Móuntain Creek	284	6,100	46,600	98.27%	
	Chongqing		Sino-Ocean International GOLF Resort	138	12,600	11,000	87.25%
Gaomiao Plot, Jiulongpo District			293	47,500	6,200	37.71%	
<b>Subtotal</b>			<b>2,548</b>	<b>223,200</b>	<b>11,400</b>		
Other joint venture projects			807	52,200	15,500		
<b>Subtotal (excluding car parks)</b>			<b>20,477</b>	<b>1,259,100</b>	<b>16,300</b>		
Car parks (various projects)			153	79,400	1,900		
<b>Total</b>			<b>20,630</b>	<b>1,338,500</b>	<b>15,400</b>		

Contracted sales amounts by geographical locations are analyzed below:

(RMB million)



# Management Discussion & Analysis

## 3) Landbank and Construction Progress

The Group's total GFA and total saleable GFA completed in the first half of 2016 were approximately 669,000 sq.m. and 641,000 sq.m., decreasing by 59% and 52% respectively as compared to the corresponding period in 2015 and completed approximate 25% of this year construction target. We will maintain our construction target of 2016 in order to have enough GFA available for sale and for delivery to achieve our target in 2016 and support our growth in 2017.

As at 30 June 2016, the landbank of the Group slightly increased by 2% to 20,353,000 sq.m. (As at 31 December 2015: 19,921,000 sq.m.); while landbank with attributable interest decreased slightly to 14,115,000 sq.m. (As at 31 December 2015: 14,545,000 sq.m.). During the first half of 2016, we acquired 6 plots of land with total GFA of 1,282,000 sq.m. and attributable interest of approximately 489,000 sq.m. with average acquisition cost per sq.m. of about RMB11,100. The average land cost per sq.m. for our landbank as at 30 June 2016 was approximately RMB3,500 (As at 31 December 2015: RMB3,400).

Details of the newly acquired land plots during the first half of 2016 are set out as follows:

Cities	Projects	Total GFA acquired (‘000 sq.m.)	GFA attributable to the Group (‘000 sq.m.)	Interest attributable to the Group (%)
Beijing	Lize Business District Project	441	76	17.25%
Guangzhou	Honoka project in Baiyun District	285	47	16.66%
Sanya	Mountain Creek	177	174	98.27%
Shanghai	East Ocean Centre	63	32	50%
Hangzhou	South block of Tianma in Gongshu District	145	73	50%
Shenzhen	Lishan project	171	87	51%
<b>Total</b>		<b>1,282</b>	<b>489</b>	

The landbank by stages of development as at 30 June 2016 are set out as follows:

	Approximate total GFA (‘000 sq.m.)	Approximate total saleable GFA (‘000 sq.m.)	Remaining landbank (‘000 sq.m.)
Completed properties held for sales	16,572	13,606	4,827
Properties under development	10,563	8,767	10,563
Properties held for future development	4,963	3,976	4,963
<b>Total</b>	<b>32,098</b>	<b>26,349</b>	<b>20,353</b>

The Group's landbank details as at 30 June 2016 are set out as follows:

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing-Tianjin-Hebei Region	Beijing	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	479	334	479	50%
		Happy Garden	195	163	195	30%
		26 Block	79	79	79	100%
		Mizhiyun Project	80	71	42	90%
		Nanfaxin Project, Shunyi District	277	206	277	23%
		Ocean Crown	209	182	13	100%
		Ocean Epoch	264	198	264	67.50%
		Ocean LA VIE	318	305	162	85.72%
		Ocean Manor	194	177	8	100%
		Ocean Melody	55	50	55	100%
		Ocean Metropolis	330	276	330	75%
		Ocean Palace	436	383	256	49%
		Our New World	109	91	109	100%
		Plot 6002, Mentougou, New Town	125	97	125	21%
		POETRY OF RIVER	811	723	3	100%
		Xiji Plot C, Tongzhou District	221	170	221	30%
	Lize Business District Project	441	331	441	17.25%	
	Tianjin	Ocean Chanson	204	199	204	100%
		Ocean City	2,137	1,683	828	100%
		Ocean Express	335	288	16	100%
		Ocean Great Harmony	350	290	50	100%
Ocean International Center		321	200	187	100%	
Ocean Inside		183	176	183	60%	
Ocean Prospect		321	309	59	100%	
Royal River	349	333	260	100%		
Yixingbu Project, Beichen District	3,034	2,615	3,001	51%		
			<b>12,516</b>	<b>10,433</b>	<b>8,501</b>	

# Management Discussion & Analysis

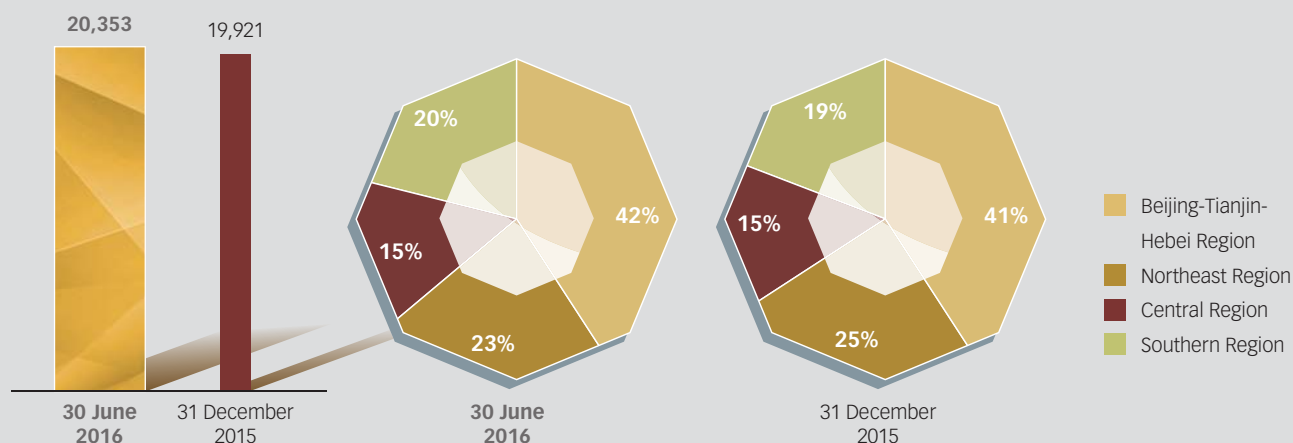
Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Northeast Region	Dalian	The Place of Glory	925	875	800	100%
		Ocean Diamond Bay	2,046	1,746	1,384	100%
		Ocean Worldview	1,902	1,645	461	100%
		Sino-Ocean Technopole	922	540	922	100%
		Xiaoyao Bay Project	219	175	219	100%
		Zhonghua Road Plot #2	111	52	111	100%
	Shenyang	Ocean Paradise	713	695	21	100%
		Ocean Residence	181	171	5	100%
	Changchun	Ocean Cannes Town	1,237	898	774	100%
			<b>8,256</b>	<b>6,797</b>	<b>4,697</b>	
Central Region	Shanghai	Ocean Fortune Center	59	45	51	100%
		Ocean Mansion No. 7	117	110	23	100%
		Ocean Melody	312	279	312	40%
	Hangzhou	Canal Business Center Project	609	153	609	100%
		Ocean Chanson	98	72	98	51%
		Ocean In Your Heart	171	109	4	100%
		Ocean Mansion	287	222	1	100%
		Ocean Melody	58	39	58	100%
		South block of Tianma in Gongshu District	145	99	145	50%
	Nanjing	Sino-Ocean Land Greenland Premier Court	71	67	71	50%
		Ocean International Center	147	116	114	100%
	Huangshan	An Island Paradise	155	154	91	100%
	Qingdao	Ocean Seasons	146	132	17	100%
		Ocean Melody	109	107	109	100%
	Wuhan	Hejiadun Project	1,019	972	1,019	38%
		Ocean World	398	369	280	55%
			<b>3,901</b>	<b>3,045</b>	<b>3,002</b>	

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Southern Region	Shenzhen	Ocean Express	556	437	354	84.70%
		Ocean Metropolis	390	292	390	85%
		Shuiwan Project	317	313	317	80%
		Lishan Project	171	120	171	51%
	Guangzhou	Elite Palace	310	279	310	30%
		Honoka project in Baiyun District	285	198	285	16.66%
	Zhongshan	Ocean Aromas	141	125	141	51%
		Ocean Bloom	200	189	200	51%
		Ocean City	2,082	1,736	126	100%
		Ocean Emerald	437	412	437	61%
		Ocean Magic City	170	160	170	51%
		Ocean New Era	515	494	5	100%
	Hong Kong	LOHAS Park Package 6, Tseung Kwan O	137	136	137	40%
	Haikou	Ocean Zen House	117	106	90	70%
	Sanya	Mountain Creek	177	111	162	98.27%
	Chongqing	Sino-Ocean International GOLF Resort	592	480	245	87.25%
		Gaomiao Plot, Jiulongpo District	126	125	126	37.71%
		Gaomiao Project, Phase II, Jiulongpo District	285	213	285	37.71%
	Chengdu	Sino-Ocean Taikoo Li Chengdu	417	148	202	50%
				<b>7,425</b>	<b>6,074</b>	<b>4,153</b>
<b>Total</b>			<b>32,098</b>	<b>26,349</b>	<b>20,353</b>	

# Management Discussion & Analysis

The landbank by geographical locations as at 30 June 2016 and 31 December 2015 are analyzed below:

(000 sq.m.)



## Property Investment

Investment properties provide a steady and reliable income and cash flow to the Group in addition to the possible capital gains from appreciation in value. They also help us to diversify our risk from market turbulence in the property development business. During the first half of 2016, revenue from property investment increased by 22% to RMB447 million (first half of 2015: RMB365 million). As at 30 June 2016, the Group held 9

operating investment properties, several community retail streets and several car parks 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 818,000 sq.m..

List of our investment properties as at 30 June 2016 is set out as follows:

	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate as at 30 June 2016 (%)	Interest attributable to the 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	88%	100%
Ocean Office Park (Beijing)	127,000	81,000	22,000	24,000	90%	100%
Ocean We-life Plaza (Beijing)	31,000	–	31,000	–	99%	100%
Ocean We-life Plaza (Tianjin)	41,000	–	41,000	–	91%	100%
Other projects	74,000	–	59,000	15,000	92%	100%
<b>Sub-total</b>	<b>404,000</b>	<b>182,000</b>	<b>162,000</b>	<b>60,000</b>		
<b>Other</b>						
INDIGO (Beijing)	176,000	49,000	71,000	56,000	99%	50%
Ocean International Center, Phase II (Beijing)	77,000	47,000	19,000	11,000	99%	35%
East Ocean Centre (Shanghai)	62,000	43,000	7,000	12,000	Over 85%	50%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	99,000	–	82,000	17,000	Over 90%	50%
<b>Total</b>	<b>818,000</b>	<b>321,000</b>	<b>341,000</b>	<b>156,000</b>		



## COMMERCIAL PROPERTIES IN PROGRESS

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

As at 30 June 2016, revenue from property investment amounted to RMB447 million. The Group currently has nine operating investment properties. In the first half of 2016, we newly acquired East Ocean Centre in Shanghai, which added to our list of high-end and well-developed office premise portfolio.

We now have approximately 818,000 sq.m. of commercial real estate resources in operation, with office developments, commercial complexes and car parks accounting for about 40% and 60% respectively. In addition, we have more than 2,000,000 sq.m. of commercial property resources pending for development and operation by stages between 2017 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 2016, the Group's revenue from the provision of property management services amounted to RMB378 million, representing a 12% increase as compared to RMB337 million for the corresponding period in 2015. A total GFA of 16,288,000 sq.m. (first half of 2015: 14,471,000 sq.m.) was covered by the Group's property management services which has significantly increased by 1,817,000 sq.m.

Ocean Homeplus Property Service Corporation Limited has been officially listed on the National Equities Exchange and Quotations System and aimed at raising the property management service quality and efficiency.

## OTHER INFORMATION

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

In first half of 2016, 53% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuation in foreign exchange rates. As Renminbi has been facing the trend of depreciation, the Group is adjusting its proportion of borrowings in foreign currencies and has entered into certain forward contracts so as to reduce the exchange loss in future year. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose.

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

### Employees and Human Resources

As at 30 June 2016, the Group had 7,355 employees (31 December 2015: 7,143). Continuing our efforts in 2015 to maintain a streamlined organization structure, the size of our workforce was largely unchanged. Both manpower effectiveness and the Group's control capability have been strengthened.

For the first half of 2016, taking into account the amortization of share options, the level of our overall staff cost was maintained at about RMB540 million (first half of 2015: RMB506 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.

# Management Discussion & Analysis



## INVESTOR RELATIONS

The 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. Our goals are to raise investors' deeper understanding and approval of our strategies, increase our internal management proficiency and maximize our value.

### Encouraging communication and deeper understanding

In the first half of 2016, macro policies remained relaxed and the property market continued to gather momentum. Sales of commodity housing in major cities kept reaching new heights and de-stocking also showed noticeable results.

The new macro environment and industry trend presented both opportunities and challenges. As the Group's fourth phase of strategic development was well underway in the period, the Group changed its name to Sino-Ocean Group Holding Limited. Along with the Group's re-branding activities, we also provided investors with more thorough introduction of our business in all aspects, including property development, investment property development, customer service business, real estate finance, etc, all of which are built on the solid base of the property development business segment. It demonstrated the development potential driven by our strategy of 'a diversified business with four focuses'. Our efficiency in communication was highly welcomed by investors.

In the first half of 2016, the Group hosted the 2015 annual results briefing, attracting some 150 individuals from the financial community to attend. Subsequently representatives from the management and the investor relations team hosted road shows in Hong Kong, Singapore, Beijing, Shanghai and Shenzhen, meeting more than 70 institutional investors 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.

In addition to road shows, we also actively explored opportunities to meet more investors. On the one hand we actively attended investors' conferences and strengthened day-to-day communication with investors. In the first six months of 2016, we attended eight conferences hosted by securities firms in Beijing, Hong Kong and Singapore and had in-depth and one-on-one discussions with nearly 200 securities firms, institutional investors and individual investors. 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 2016 to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published announcement of our monthly unaudited operating statistic and newly acquired land bank on the website of the Stock Exchange and investors groups to boost transparency and to ensure proper and fair access to relevant data by all parties in the capital market.

In June 2016, we hosted the annual sell-side's analysts reverse road shows in Guangzhou and Shenzhen, attracting some 15 securities firms to attend. The events presented to the capital market our business location planning and potential in Southern Region, as well as the benefits of WELL building standards and the work-in-progress status of the projects. The management also conducted a thorough discussion on our Group's development strategy, management and operation with the analysts. This was met with very positive feedback.

We had coverage from 24 securities firms in the first half of 2016. Goldman Sachs, Citi, UBS, China International Capital Corporation, Mizuho and SWS Research rated Sino-Ocean Group as 'out-performed the market', 'buy' or 'hold'.

We listened carefully to our shareholders' concerns and addressed them. After each annual general meeting, management representatives would always allow time to speak with retail shareholders, ensuring all present were given opportunity to discuss personally issues that they care about with our representatives.

In May 2016, nearly 250 shareholders and relevant parties attended our annual general meeting and as always management representatives talked directly with retail shareholders and answered their questions after the meeting.

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@sinooceanland.com](mailto:ir@sinooceanland.com). We promise to provide answers to the extent permitted by applicable laws, regulations and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

# Disclosure of Interests

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

As at 30 June 2016, 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to 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	1.703%
	Beneficiary of trust	8,652,117 (note iv)	–	–	8,652,117	0.115%
	Beneficial owner	3,127,000	28,080,000	3,982,083	35,189,083	0.468%
Mr. Li Hu	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. WANG Yeyi	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. SUM Pui Ying	Beneficial owner	1,475,330	8,130,000	1,401,170	11,006,500	0.146%
Mr. WEN Haicheng	Beneficial owner	943,590	6,160,000	1,366,870	8,470,460	0.113%
Mr. Li Hongbo	Beneficial owner	76,296	4,700,000	252,613	5,028,909	0.067%
Mr. YANG Zheng	Beneficial owner	135,000	1,250,000	105,000	1,490,000	0.020%
Mr. YAO Dafeng	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. FANG Jun	Beneficial owner	64,550	850,000	93,450	1,008,000	0.013%
Ms. SHANGGUAN Qing	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. TSANG Hing Lun	Beneficial owner	105,000	850,000	105,000	1,060,000	0.014%
Mr. HAN Xiaojing	Beneficial owner	295,000	1,450,000	105,000	1,850,000	0.025%
Mr. WANG Zhifeng	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. SUEN Man Tak	Beneficial owner	–	500,000	60,000	560,000	0.007%
Mr. JIN Qingjun	Beneficial owner	–	500,000	60,000	560,000	0.007%

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 8,652,117 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	Date of share option granted	Exercise period	Exercise price per share (HKD)	No. of underlying shares of associated corporation comprised in share options	No. of ordinary shares of associated corporation held (long position)	Percentage of total issued share capital of associated corporation
Mr. LI Ming	Gemini Investments (Holdings) Limited	Beneficial owner	9 August 2013	9 August 2013–22 June 2021	0.96	4,000,000	–	0.887%
Mr. SUM Pui Ying	Gemini Investments (Holdings) Limited	Beneficial owner	26 August 2011	26 August 2011–22 June 2021	1.40	2,000,000	–	0.443%
			9 August 2013	9 August 2013–22 June 2021	0.96	16,000,000 (note)	–	3.548%
Mr. WEN Haicheng	Gemini Investments (Holdings) Limited	Beneficial owner	–	–	–	–	70,000	0.016%
Mr. LI Hongbo	Gemini Investments (Holdings) Limited	Beneficial owner	9 August 2013	9 August 2013–22 June 2021	0.96	1,000,000	–	0.222%
			9 March 2015	9 March 2015–22 June 2021	1.27	500,000	–	0.111%

Note: These share options were granted to Mr. SUM Pui Ying pursuant to the terms of a service contract entered into between Mr. SUM Pui Ying and Gemini Investments (Holdings) Limited ("Gemini") on 9 August 2013. Share options granted to Mr. SUM Pui Ying to subscribe for a total of 4,000,000 shares in Gemini had already been vested following the approval of the service contract by shareholders of Gemini on 16 September 2013. The share options to subscribe for the remaining 12,000,000 shares in Gemini (the "Remaining Options") shall be vested on the basis that one third of the Remaining Options will be vested on the first, second and third anniversaries of 9 August 2013 (being the date of commencement of the term of the service contract), such that the Remaining Options will be fully vested on 9 August 2016, provided however that all those Remaining Options, to the extent not yet vested in accordance with the above schedule, shall become vested immediately if (i) the service contract is terminated by Gemini without cause by payment of termination compensation to Mr. SUM Pui Ying or (ii) the employment of Mr. SUM Pui Ying under the service contract lapses automatically by reason of his not being re-elected as a director of Gemini at any general meeting of Gemini.

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.

# Disclosure of Interests

## DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the six months ended 30 June 2016 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, 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 2016, 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	2,253,459,151	29.99%
Anbang Insurance Group Co., Ltd. (note ii)	Interest of controlled corporation	Long	2,252,646,115	29.98%
Anbang Asset Management (Hong Kong) Co. Limited (note iii)	Investment Manager	Long	2,252,646,115	29.98%

### Notes:

- (i) The 2,253,459,151 shares were registered in the name of, and beneficially owned by, China Life Insurance Company Limited. China Life Insurance (Group) Company was interested in 68.37% of China Life Insurance Company Limited. China Life Insurance (Group) Company was deemed to be interested in these shares by virtue of the SFO.
- (ii) The 1,352,197,115 shares and 900,449,000 shares were registered in the name of, and beneficially owned by, Anbang Insurance Group Co., Ltd. and Anbang Property & Casualty Insurance Co., Ltd. respectively. Anbang Property & Casualty Insurance Co., Ltd. was owned as to 48.92% and 48.65% by Anbang Insurance Group Co., Ltd. and Anbang Life Insurance Co., Ltd. (安邦人壽保險股份有限公司) respectively. Anbang Insurance Group Co., Ltd. was interested in 99.98% of Anbang Life Insurance Co., Ltd. Anbang Insurance Group Co., Ltd. was deemed to be interested in these shares by virtue of the SFO.
- (iii) The 2,252,646,115 shares were managed by Anbang Asset Management (Hong Kong) Co. Limited. Anbang Asset Management (Hong Kong) Co. Limited was wholly-owned by Anbang Property & Casualty Insurance Co., Ltd. which was an indirect subsidiary of Anbang Insurance Group Co., Ltd. as detailed in note (ii) above. Anbang Asset Management (Hong Kong) Co. Limited was deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, as at 30 June 2016, 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 2016 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 2016, 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 2016	No. of share options granted during the period	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 2016
<b>Directors</b>							
Mr. LI Ming	12 Jan 2012	3.57	6,280,000	–	–	–	6,280,000
	27 Aug 2015	4.04	1,800,000	–	–	–	1,800,000
	13 Apr 2016	3.80	–	20,000,000	–	–	20,000,000
Ms. LIU Hui (Resigned on 22 Mar 2016)	12 Jan 2012	3.57	400,000	–	–	(400,000)	–
	27 Aug 2015	4.04	350,000	–	–	(350,000)	–
Mr. LI Hu (Appointed on 22 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. KWOK Kin Ho (Resigned on 22 Mar 2016)	27 Aug 2015	4.04	350,000	–	–	(350,000)	–
Mr. WANG Yeyi (Appointed on 22 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. SUM Pui Ying	12 Jan 2012	3.57	2,330,000	–	–	–	2,330,000
	27 Aug 2015	4.04	800,000	–	–	–	800,000
	13 Apr 2016	3.80	–	5,000,000	–	–	5,000,000
Mr. WEN Haicheng	12 Jan 2012	3.57	360,000	–	–	–	360,000
	27 Aug 2015	4.04	800,000	–	–	–	800,000
	13 Apr 2016	3.80	–	5,000,000	–	–	5,000,000
Mr. LI Hongbo (Appointed on 22 Mar 2016)	27 Aug 2015	4.04	700,000	–	–	–	700,000
	13 Apr 2016	3.80	–	4,000,000	–	–	4,000,000
Mr. YANG Zheng	12 Jan 2012	3.57	400,000	–	–	–	400,000
	27 Aug 2015	4.04	350,000	–	–	–	350,000
	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. YANG Leyu (Resigned on 22 Mar 2016)	27 Aug 2015	4.04	350,000	–	–	(350,000)	–

# Corporate Governance and Other Information

	Date of share option granted	Exercise price per share (HKD)	No. of share options outstanding as at 1 January 2016	No. of share options granted during the period	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 2016
Mr. YAO Dafeng (Appointed on 22 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. FANG Jun	27 Aug 2015 13 Apr 2016	4.04 3.80	350,000 –	– 500,000	– –	– –	350,000 500,000
Ms. SHANGGUAN Qing (Appointed on 22 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. TSANG Hing Lun	27 Aug 2015 13 Apr 2016	4.04 3.80	350,000 –	– 500,000	– –	– –	350,000 500,000
Mr. HAN Xiaojing	12 Jan 2012 27 Aug 2015 13 Apr 2016	3.57 4.04 3.80	600,000 350,000 –	– – 500,000	– – –	– – –	600,000 350,000 500,000
Mr. GU Yunchang (Resigned on 20 Mar 2016)	12 Jan 2012 27 Aug 2015	3.57 4.04	600,000 350,000	– –	– –	(600,000) (350,000)	– –
Mr. WANG Zhifeng (Appointed on 20 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. SUEN Man Tak	13 Apr 2016	3.80	–	500,000	–	–	500,000
Mr. JIN Qingjun (Appointed on 22 Mar 2016)	13 Apr 2016	3.80	–	500,000	–	–	500,000
<b>Subtotal</b>			17,870,000	39,500,000	–	(2,400,000)	54,970,000
<b>Employees</b>	12 Jan 2012 27 Aug 2015 13 Apr 2016	3.57 4.04 3.80	27,273,172 72,416,000 –	– – 143,384,000	(290,000) – –	(900,000) (2,800,000) (1,000,000)	26,083,172 69,616,000 142,384,000
<b>Subtotal</b>			99,689,172	143,384,000	(290,000)	(4,700,000)	238,083,172
<b>Total</b>			117,559,172	182,884,000	(290,000)	(7,100,000)	293,053,172

Note: During the six months ended 30 June 2016, 290,000 share options were exercised and the weighted average closing price of the shares of the Company immediately before the dates of exercise was HKD3.91 per share.



The average fair value of 182,884,000 share options granted on 13 April 2016 is HKD0.995166 per option. In determining the fair value of these share options, the Binomial Lattice Model has been used and the following variables have been applied to the model:

Measurement date	13 April 2016
Variables	
— the expected volatility	43.4%
— the annual risk-free interest rate	0.994%
— the expected dividend yield	4.54%
— the expected life from the measurement date	5 years

Notes:

- (i) The closing price per share immediately before 13 April 2016, the date of granting the options was HKD3.79.
- (ii) The expected volatility was determined based on the historical volatility of the underlying security.
- (iii) Risk-free rate was reference to the yield rate of the generic Hong Kong government bonds with duration similar to the expected life of the options.
- (iv) The expected dividend yield is with reference to the historical dividend.

## 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 15,240,024 shares of the Company at an aggregate cost of approximately RMB47,097,000 (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 2016	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 2016
18 March 2013	1,374,600	—	(1,362,000)	(12,600)	—
18 March 2014	8,668,500	—	(3,344,625)	(384,900)	4,938,975
13 May 2014	230,400	—	(38,400)	(192,000)	—
18 March 2015	19,967,300	—	(9,183,225)	(1,129,120)	9,654,955
25 March 2016	—	13,394,900	—	—	13,394,900
<b>Total</b>	<b>30,240,800</b>	<b>13,394,900</b>	<b>(13,928,250)</b>	<b>(1,718,620)</b>	<b>27,988,830</b>

Note: Pursuant to the Award Scheme, 1,718,620 awarded shares lapsed upon the resignation of awardees.

# Corporate Governance and Other Information

## 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.

On 13 May 2016, the Company fully redeemed the Capital Securities at their principal amount in an aggregate amount of US\$400 million, together with any unpaid distribution accrued to such redemption date in an aggregate amount of USD20.5 million.

Details of the Capital Securities are disclosed in the Company's announcement dated 6 May 2011, 24 March 2016 and 16 May 2016 and note 14 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.

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 2016 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 45.

## AUDIT COMMITTEE

After completion of restructuring of board committee composition on 22 March 2016, the Audit Committee consists of three independent non-executive directors and two non-executive directors of the Company, namely Mr. TSANG Hing Lun, Mr. YANG Zheng, Mr. YAO Dafeng, Mr. JIN Qingjun and Mr. SUEN Man Tak. 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 2016.

## 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 2016, 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 provision 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. 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 2016.

## 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. TSANG Hing Lun was appointed as an independent non-executive director of China Shipping Container Lines Company Limited, a company listed on the Stock Exchange and the Shanghai Stock Exchange, with effect from 30 June 2016.

# Corporate Governance and Other Information

## EVENTS AFTER BALANCE SHEET DATE

On 14 July 2016, Joy Orient Investments Limited ("Joy Orient"), a wholly-owned subsidiary of the Company, purchased 287,741,000 shares of China Logistics Property Holdings Co., Ltd ("China Logistics") at the price of HKD 3.25 per share, representing approximately 9.99% of the shares in issue of China Logistics as at the date of its listing on the Stock Exchange.

## DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

As at 30 June 2016, 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.

On 13 June 2016, the consent from the lenders under the abovementioned facility agreement dated 24 June 2014 was obtained to revise certain clauses of the facility agreement, among which, it would constitute an event of default if China Life Insurance Company Limited (directly or indirectly) beneficially owns less than 25% of the issued share capital of the Company.

On 2 August 2016, the outstanding loan facility under the abovementioned facility agreement dated 12 July 2013 was fully repaid.

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2016, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the affiliated companies as at 30 June 2016 is presented as follows:

	RMB million
Non-current assets	13,921
Current assets	59,193
Current liabilities	25,996
Non-current liabilities	32,588
Net assets	14,530

The Group's attributable interest in the affiliated companies as at 30 June 2016 amounted to RMB6,826 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2016.

## **INTERIM DIVIDEND AND BOOK CLOSURE**

The Board has declared an interim dividend of HKD0.079 per share (2015: HKD0.075 per share) to shareholders whose names appear on the Company's register of members at the close of business on Wednesday, 7 September 2016. 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, 30 September 2016.

The register of members of the Company will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016, 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, 2 September 2016.

# Corporate Information

## DIRECTORS

### Executive Directors

Mr. LI Ming (*Chairman*)  
Ms. LIU Hui (Resigned on 22 March 2016)  
Mr. LI Hu (Appointed on 22 March 2016)  
Mr. KWOK Kin Ho (Resigned on 22 March 2016)  
Mr. WANG Yeyi (Appointed on 22 March 2016)  
Mr. SUM Pui Ying  
Mr. WEN Haicheng  
Mr. LI Hongbo (Appointed on 22 March 2016)

### Non-executive Directors

Mr. YANG Zheng  
Mr. YANG Leyu (Resigned on 22 March 2016)  
Mr. YAO Dafeng (Appointed on 22 March 2016)  
Mr. FANG Jun  
Ms. SHANGGUAN Qing (Appointed on 22 March 2016)

### Independent Non-executive Directors

Mr. TSANG Hing Lun  
Mr. HAN Xiaojing  
Mr. GU Yunchang (Resigned on 20 March 2016)  
Mr. WANG Zhifeng (Appointed on 20 March 2016)  
Mr. SUEN Man Tak  
Mr. JIN Qingjun (Appointed on 22 March 2016)

## AUDIT COMMITTEE

Mr. TSANG Hing Lun  
Mr. YANG Zheng  
Mr. YAO Dafeng (Appointed on 22 March 2016)  
Mr. SUEN Man Tak  
Mr. GU Yunchang (Resigned on 20 March 2016)  
Mr. JIN Qingjun (Appointed on 22 March 2016)

## NOMINATION COMMITTEE

Mr. LI Ming  
Mr. HAN Xiaojing  
Mr. GU Yunchang (Resigned on 20 March 2016)  
Mr. WANG Zhifeng (Appointed on 20 March 2016)  
Mr. SUEN Man Tak

## REMUNERATION COMMITTEE

Mr. HAN Xiaojing  
Mr. GU Yunchang (Resigned on 20 March 2016)  
Mr. WANG Zhifeng (Appointed on 20 March 2016)  
Mr. SUEN Man Tak

## INVESTMENT COMMITTEE

Mr. LI Ming  
Ms. LIU Hui (Resigned on 22 March 2016)  
Mr. LI Hu (Appointed on 22 March 2016)  
Mr. KWOK Kin Ho (Resigned on 22 March 2016)  
Mr. WANG Yeyi (Appointed on 22 March 2016)  
Mr. LI Hongbo (Appointed on 22 March 2016)  
Mr. TSANG Hing Lun  
Mr. JIN Qingjun (Appointed on 22 March 2016)

## COMPANY SECRETARY

Mr. CHUNG Kai Cheong

## AUTHORIZED REPRESENTATIVES

Mr. LI Ming  
Mr. CHUNG Kai Cheong

## 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.  
China Bohai Bank Co., Ltd.  
China CITIC Bank Corporation Limited  
China Construction Bank Corporation  
China Merchants Bank Co., Ltd.  
DBS Bank (Hong Kong) Ltd.  
Deutsche Bank  
Hang Seng Bank Limited  
Hua Xia Bank Co., Ltd  
Industrial and Commercial Bank of China (Asia) Ltd.  
Industrial and Commercial Bank of China, Ltd.  
Mega International Commercial 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.sinooceangroup.com](http://www.sinooceangroup.com)

## INVESTOR RELATIONS CONTACT

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

# Report on Review of Interim Financial Information

## **TO THE BOARD OF DIRECTORS OF SINO-OCEAN GROUP HOLDING LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **Introduction**

We have reviewed the interim financial information set out on pages 46 to 77, which comprises the condensed consolidated interim balance sheet of Sino-Ocean Group Holding Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2016 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, 18 August 2016

# Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	594,261	584,068
Land use rights	8	50,401	52,094
Investment properties	9	14,809,749	13,555,320
Goodwill		56,526	56,700
Investments in joint ventures		6,879,884	6,958,559
Investments in associates		2,549,219	2,773,307
Available-for-sale financial assets	10	2,856,599	3,306,136
Trade and other receivables	11	7,959,978	12,644,947
Deferred income tax assets		810,575	938,049
<b>Total non-current assets</b>		<b>36,567,192</b>	<b>40,869,180</b>
<b>Current assets</b>			
Deposits for land use rights		5,983,561	5,983,561
Properties under development		38,418,599	38,037,060
Inventories, at cost		79,468	80,371
Amounts due from customers for contract work	12	641,109	915,791
Land development cost recoverable		2,292,811	2,177,819
Completed properties held for sale		12,531,339	12,023,402
Financial assets at fair value through profit or loss		111,566	196,928
Trade and other receivables	11	29,350,035	24,174,723
Restricted bank deposits		3,919,773	3,456,473
Cash and cash equivalents		14,587,560	20,269,584
<b>Total current assets</b>		<b>107,915,821</b>	<b>107,315,712</b>
<b>Total assets</b>		<b>144,483,013</b>	<b>148,184,892</b>



	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Capital	13	26,918,317	26,915,412
Shares held for Restricted Share Award Scheme	13	(30,778)	(32,366)
Other reserves		(337,126)	(410,945)
Retained earnings		15,776,157	14,758,572
		42,326,570	41,230,673
Capital securities	14	–	2,532,866
<b>Non-controlling interests</b>		<b>4,565,043</b>	<b>4,426,735</b>
<b>Total equity</b>		<b>46,891,613</b>	<b>48,190,274</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	15	36,573,843	43,360,054
Trade and other payables	16	12,672	13,377
Deferred income tax liabilities		2,689,981	2,071,835
<b>Total non-current liabilities</b>		<b>39,276,496</b>	<b>45,445,266</b>
<b>Current liabilities</b>			
Borrowings	15	6,414,155	8,565,785
Trade and other payables	16	29,970,068	25,261,541
Advance receipts from customers		19,275,211	16,563,682
Income tax payables		2,655,470	4,158,344
<b>Total current liabilities</b>		<b>58,314,904</b>	<b>54,549,352</b>
<b>Total liabilities</b>		<b>97,591,400</b>	<b>99,994,618</b>
<b>Total equity and liabilities</b>		<b>144,483,013</b>	<b>148,184,892</b>

The notes on pages 53 to 77 form an integral part of these condensed consolidated interim financial information.

# Condensed Consolidated Interim Income Statement

	Note	Unaudited Six months ended 30 June	
		2016 RMB'000	2015 RMB'000
Revenue	7	9,330,649	15,106,881
Cost of sales		(7,077,100)	(12,041,924)
<b>Gross profit</b>		<b>2,253,549</b>	<b>3,064,957</b>
Interest and other income		800,425	440,223
Other (losses)/gains — net	17	(205,845)	161,824
Fair value gains on investment properties	9	1,066,592	315,488
Selling and marketing expenses		(218,379)	(176,199)
Administrative expenses		(322,620)	(346,013)
<b>Operating profit</b>		<b>3,373,722</b>	<b>3,460,280</b>
Finance costs	18	(311,619)	(286,705)
Share of (losses)/gains of joint ventures		(16,842)	90,157
Share of (losses)/gains of associates		(57,813)	58,656
<b>Profit before income tax</b>		<b>2,987,448</b>	<b>3,322,388</b>
Income tax expense	19	(1,454,393)	(1,131,022)
<b>Profit for the period</b>		<b>1,533,055</b>	<b>2,191,366</b>
<b>Attributable to:</b>			
Owners of the Company		1,447,754	2,195,325
Non-controlling interests		85,301	(3,959)
		<b>1,533,055</b>	<b>2,191,366</b>
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	20	0.178	0.280
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	20	0.178	0.280

The notes on page 53 to 77 form an integral part of these condensed consolidated interim financial information.

# Condensed Consolidated Interim Statement of Comprehensive Income

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>1,533,055</b>	2,191,366
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Fair value gains on available-for-sale financial assets	20,819	25,804
Currency translation differences	(12,475)	7,202
Share of other comprehensive income of investments accounted for using the equity method	62,385	–
<b>Other comprehensive income for the period</b>	<b>70,729</b>	33,006
<b>Total comprehensive income for the period</b>	<b>1,603,784</b>	2,224,372
<b>Total comprehensive income attributable to:</b>		
— Owners of the Company	1,513,667	2,228,331
— Non-controlling interests	90,117	(3,959)
	<b>1,603,784</b>	2,224,372

The notes on page 53 to 77 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					Non-controlling interests			
	Share held for Restricted		Other reserves	Retained earnings	Total	Capital securities	Capital instrument	Others	Total equity
	Share capital	Share Award Scheme							
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2016</b>	26,915,412	(32,366)	(410,945)	14,758,572	41,230,673	2,532,866	3,000,000	1,426,735	48,190,274
Profit for the period	-	-	-	1,447,754	1,447,754	-	-	85,301	1,533,055
Other comprehensive income:									
Fair value gain on available-for-sale financial assets	-	-	24,063	-	24,063	-	-	(3,244)	20,819
Currency translation differences	-	-	(20,535)	-	(20,535)	-	-	8,060	(12,475)
Share of other comprehensive income of investments accounted for using the equity method	-	-	62,385	-	62,385	-	-	-	62,385
<b>Total comprehensive income for the period ended 30 June 2016</b>	-	-	65,913	1,447,754	1,513,667	-	-	90,117	1,603,784
<b>Transactions with owners of the company</b>									
Dividends relating to 2015 paid in June 2016 (Note 21)	-	-	-	(319,091)	(319,091)	-	-	-	(319,091)
Expense on share based payment	-	-	58,625	-	58,625	-	-	-	58,625
Issue of shares pursuant to exercise of employee share options	1,196	-	(325)	-	871	-	-	157	1,028
Vesting of shares under Restricted Share Award Scheme (Note 13)	1,709	48,685	(50,394)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme (Note 13)	-	(47,097)	-	-	(47,097)	-	-	-	(47,097)
Distribution relating to capital securities	-	-	-	(111,078)	(111,078)	-	-	-	(111,078)
Repurchase of capital securities	-	-	-	-	-	(2,532,866)	-	-	(2,532,866)
Contribution from non-controlling interests	-	-	-	-	-	-	-	1,500	1,500
<b>Total contributions by and distributions to owners of the Company</b>	2,905	1,588	7,906	(430,169)	(417,770)	(2,532,866)	-	1,657	(2,948,979)
Increase in non-controlling interest as a result of business combination	-	-	-	-	-	-	-	17,722	17,722
Increase in non-controlling interest as a result of other acquisition	-	-	-	-	-	-	-	28,812	28,812
<b>Total transactions with owners of the Company</b>	2,905	1,588	7,906	(430,169)	(417,770)	(2,532,866)	-	48,191	(2,902,445)
<b>Balance at 30 June 2016</b>	26,918,317	(30,778)	(337,126)	15,776,157	42,326,570	-	3,000,000	1,565,043	46,891,613

	Unaudited							
	Attributable to owners of the Company							
	Share capital	Share held for Restricted Share Award Scheme	Other reserves	Retained earnings	Total	Capital securities	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2015</b>	26,708,812	(41,504)	(348,800)	14,172,343	40,490,851	2,532,866	1,359,276	44,382,993
Profit for the period	-	-	-	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
Currency translation differences	-	-	7,202	-	7,202	-	-	7,202
<b>Total comprehensive income for the period ended 30 June 2015</b>	-	-	33,006	2,195,325	2,228,331	-	(3,959)	2,224,372
<b>Transactions with owners of the company</b>								
Dividends relating to 2014 paid in June 2015 (Note 21)	9,474	-	-	(980,084)	(970,610)	-	-	(970,610)
Expenses on share based payment	-	-	39,911	-	39,911	-	-	39,911
Issue of shares pursuant to exercise of employee share options	185,012	-	(53,040)	-	131,972	-	4,941	136,913
Vesting of shares under Restricted Share Award Scheme (Note 13)	163	50,582	(50,745)	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme (Note 13)	-	(17,570)	-	-	(17,570)	-	-	(17,570)
Distribution relating to capital securities	-	-	-	(125,717)	(125,717)	-	-	(125,717)
Contribution from non-controlling interests	-	-	-	-	-	-	6,000	6,000
<b>Total contributions by and distributions to owners of the Company</b>	194,649	33,012	(63,874)	(1,105,801)	(942,014)	-	10,941	(931,073)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling interests	-	-	(9)	-	(9)	-	(491)	(500)
<b>Total transactions with owners of the Company</b>	194,649	33,012	(63,883)	(1,105,801)	(942,023)	-	10,450	(931,573)
<b>Balance at 30 June 2015</b>	26,903,461	(8,492)	(379,677)	15,261,867	41,777,159	2,532,866	1,365,767	45,675,792

# Condensed Consolidated Interim Cash Flow Statement

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2016	2015
	RMB'000	RMB'000
<b>Net cash generated from operating activities</b>	<b>3,215,699</b>	3,247,929
<b>Net cash generated from/(used in) investing activities</b>	<b>3,948,309</b>	(3,433,467)
<b>Net cash (used in)/generated from financing activities</b>	<b>(12,851,684)</b>	887,438
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,687,676)</b>	701,900
Cash and cash equivalents at the beginning of the period	<b>20,269,584</b>	13,311,150
Exchange gains/(losses)	<b>5,652</b>	(8,726)
<b>Cash and cash equivalents at end of the period</b>	<b>14,587,560</b>	14,004,324

The notes on page 53 to 77 form an integral part of these condensed consolidated interim financial information.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 1 General information

Sino-Ocean Group Holding Limited, formerly known as 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 18 August 2016 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 2016 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 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

## 3 Key events

3.1 Sino-Ocean Land (Hong Kong) Limited, a wholly-owned subsidiary of the Company and its subsidiaries (together, “Sino-Ocean Hong Kong”) were principally engaged in investments holding and property development in Hong Kong and the Mainland China. Prior to 2016, the functional currency of Sino-Ocean Hong Kong was RMB.

For the purpose of business and geographic segmentation, Sino-Ocean Hong Kong has undergone a restructuring, whereby the Mainland China-related investments and operations were shifted to a new platform set up by the Company. Thereafter, Sino-Ocean Hong Kong focuses on investing and financing activities Hong Kong and overseas with autonomous management team in Hong Kong.

Based on the changes in business and structure above, the functional currency of Sino-Ocean Hong Kong was changed from RMB to Hong Kong dollars effective from 2016.

3.2 In accordance with the Circular on the full implementation of Levying Value-added Tax (“VAT”) in place of Business Tax (Caishui No. 36, 2016) (the “Circular”) jointly issued by the Ministry of Finance and the State Administration of Taxation, taxpayers providing taxable services included in the Circular would be subject to VAT and no longer to business tax starting from 1 May 2016. The Group has applied the provisions stipulated in the Circular since 1 May 2016.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 4 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the 2015 Financial Statements, as described therein.

- (i) Amendments and interpretations to existing standards that are effective for the financial year beginning on 1 January 2016 do not have a material impact on or are not relevant to the Group.
- (ii) New and revised standards and amendments to existing standards have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2016 and have not been early adopted.

		<b>Effective for the financial year beginning on or after</b>
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018

The Group is yet to assess the impact of the above new and revised standards and amendments to existing standards on the Group's condensed consolidated financial statements.

## 5 Estimates

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

In preparing the condensed consolidated interim financial information, 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 2015.

## 6 Financial risk management and financial instruments

### 6.1 Financial risk factors

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

The condensed consolidated interim financial information 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 2015.

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



## 6 Financial risk management and financial instruments *(Continued)*

### 6.2 Liquidity risk

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

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2016					
Borrowings	8,445,291	3,720,223	23,166,425	19,595,987	54,927,926
Trade and other payables excluding statutory liabilities	29,728,552	–	12,672	–	29,741,224
	<b>38,173,843</b>	<b>3,720,223</b>	<b>23,179,097</b>	<b>19,595,987</b>	<b>84,669,150</b>
At 31 December 2015					
Borrowings	11,621,154	10,736,676	19,379,510	23,285,046	65,022,386
Trade and other payables excluding statutory liabilities	24,704,784	–	13,377	–	24,718,161
	<b>36,325,938</b>	<b>10,736,676</b>	<b>19,392,887</b>	<b>23,285,046</b>	<b>89,740,547</b>

### 6.3 Fair value estimation

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

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

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 6 Financial risk management and financial instruments *(Continued)*

### 6.3 Fair value estimation *(Continued)*

The following tables present the Group's assets that are measured at fair value as at 30 June 2016 and 31 December 2015.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Group				
As at 30 June 2016				
Financial assets at fair value through profit or loss	111,566	–	–	111,566
Available-for-sale financial assets:				
— equity fund investments (Note 10)	–	972,996	1,090,836	2,063,832
— other equity securities (Note 10)	143,595	–	569,420	713,015
— others (Note 10)	–	–	79,752	79,752
	255,161	972,996	1,740,008	2,968,165
<b>Assets</b>				
Group				
As at 31 December 2015				
Financial assets at fair value through profit or loss	196,928	–	–	196,928
Available-for-sale financial assets:				
— equity fund investments (Note 10)	–	793,346	2,069,528	2,862,874
— other equity securities (Note 10)	–	–	365,420	365,420
— others (Note 10)	–	–	77,842	77,842
	196,928	793,346	2,512,790	3,503,064

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.

## 6 Financial risk management and financial instruments *(Continued)*

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

	<b>Available-for-sale financial assets: unlisted equity and debt securities RMB'000</b>
Opening balance at 1 January 2016	2,512,790
Addition	225,714
Disposal of entire interests in a subsidiary (Note 24)	(1,000,000)
Gains recognized in equity	1,504
<b>Closing balance at 30 June 2016</b>	<b>1,740,008</b>

Level 3 investments in unlisted equity securities are fair valued at net assets values, which represents the fair values of the Level 3 investments. 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.

### 6.5 Group's valuation processes

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

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.

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

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

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

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 7 Segment information

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

The Committee considers the business from both a geographic and product perspective. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically. In 2015, management re-grouped the Group's property development business into Beijing-Tianjin-Hebei, Northeast, Central as well as South. As a result, the segment information for the period ended 30 June 2016 has been prepared pursuant to the latest framework. The segment information for the period ended 30 June 2015 was adjusted for the comparable purpose, accordingly.

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

The Committee assesses the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the Committee, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any unrealized gains/losses from investments in joint ventures and associates as well as fair value gains/losses from investment properties 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, financial assets at fair value through profit or loss and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude borrowings, deferred income tax liabilities, all of which are managed on a central basis as well. These are part of the reconciliation to total balance sheet assets and liabilities.

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

## 7 Segment information *(Continued)*

	Unaudited									
	Property development					Investment property	All other segments	Total	Inter-company elimination	Total
	Beijing-Tianjin-Hebei	Northeast	Central	Southern						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Six months ended 30 June 2016</b>										
Total segment revenue	2,653,892	2,917,573	1,357,224	903,291	449,804	2,234,664	10,516,448	-	10,516,448	
Inter-segment revenue	-	-	(48,705)	-	(2,348)	(1,134,746)	(1,185,799)	-	(1,185,799)	
<b>Revenue (from external customers)</b>	<b>2,653,892</b>	<b>2,917,573</b>	<b>1,308,519</b>	<b>903,291</b>	<b>447,456</b>	<b>1,099,918</b>	<b>9,330,649</b>	<b>-</b>	<b>9,330,649</b>	
<b>Segment operating profit</b>	<b>1,215,289</b>	<b>422,479</b>	<b>185,014</b>	<b>186,872</b>	<b>398,450</b>	<b>520,587</b>	<b>2,928,691</b>	<b>(492,096)</b>	<b>2,436,595</b>	
Depreciation and amortization (Note 8)	(745)	(553)	(613)	(1,317)	(1,189)	(13,078)	(17,495)	-	(17,495)	
Income tax expense (Note 19)	(658,002)	(174,255)	(166,249)	(147,317)	(253,714)	(54,856)	(1,454,393)	-	(1,454,393)	
Finance income	76,141	117,422	93,485	88,635	32,921	678,976	1,087,580	(407,627)	679,953	
<b>Six months ended 30 June 2015</b>										
Total segment revenue	6,832,811	1,108,133	396,348	5,705,571	370,412	1,673,326	16,086,601	-	16,086,601	
Inter-segment revenue	-	-	-	(514)	(5,695)	(973,511)	(979,720)	-	(979,720)	
<b>Revenue (from external customers)</b>	<b>6,832,811</b>	<b>1,108,133</b>	<b>396,348</b>	<b>5,705,057</b>	<b>364,717</b>	<b>699,815</b>	<b>15,106,881</b>	<b>-</b>	<b>15,106,881</b>	
<b>Segment operating profit</b>	<b>876,404</b>	<b>70,066</b>	<b>120,830</b>	<b>1,557,215</b>	<b>319,919</b>	<b>127,487</b>	<b>3,071,921</b>	<b>221,657</b>	<b>3,293,578</b>	
Depreciation and amortization (Note 8)	(1,070)	(444)	(902)	(1,100)	(188)	(14,111)	(17,815)	-	(17,815)	
Income tax expense (Note 19)	(114,199)	(51,470)	(39,578)	(763,342)	(64,048)	(98,385)	(1,131,022)	-	(1,131,022)	
Finance income	52,902	144,307	96,519	163,990	31,759	80,796	570,273	(218,590)	351,683	

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 7 Segment information *(Continued)*

	Property development						Total RMB'000	Inter- company elimination RMB'000	Group total RMB'000
	Beijing- Tianjin- Hebei RMB'000	Northeast RMB'000	Central RMB'000	Southern RMB'000	Investment property RMB'000	All other segments RMB'000			
<b>As at 30 June 2016 (Unaudited)</b>									
<b>Total segment assets</b>	38,329,106	23,171,153	17,898,699	16,106,358	24,958,937	176,610,399	297,074,652	(168,431,736)	128,642,916
Additions to non-current assets (other than financial instruments and deferred income tax assets)	10	17	509	33	1,256,323	23,811	1,280,703	-	1,280,703
<b>Total segment liabilities</b>	25,347,069	7,908,797	5,561,500	9,938,356	4,654,057	160,882,759	214,292,538	(162,379,117)	51,913,421
<b>As at 31 December 2015 (Audited)</b>									
<b>Total segment assets</b>	36,324,347	28,208,531	17,198,356	15,530,484	26,081,792	175,078,824	298,422,334	(167,706,989)	130,715,345
Additions to non-current assets (other than financial instruments and deferred income tax assets)	827	775	1,014	2,084	1,664,079	404,761	2,073,540	-	2,073,540
<b>Total segment liabilities</b>	23,131,306	9,193,651	4,232,325	9,389,292	5,582,970	159,788,800	211,318,344	(165,321,400)	45,996,944

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

	Unaudited Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Segment operating profit	2,436,595	3,293,578
Corporate finance income	73,863	77,584
Corporate overheads	(203,328)	(226,370)
Fair value gains on investment properties (Note 9)	1,066,592	315,488
Finance costs (Note 18)	(311,619)	(286,705)
Share of (losses)/gains of joint ventures	(16,842)	90,157
Share of (losses)/gains of associates	(57,813)	58,656
Profit before income tax	2,987,448	3,322,388

## 7 Segment information *(Continued)*

	As at 30 June 2016 (Unaudited) RMB'000	As at 31 December 2015 (Audited) RMB'000
Reportable and other segments' assets are reconciled to total assets as follows:		
Total segment assets	128,642,916	130,715,345
Corporate cash and cash equivalents	2,632,254	3,296,568
Investments in joint ventures	6,879,884	6,958,559
Investments in associates	2,549,219	2,773,307
Available-for-sale financial assets (Note 10)	2,856,599	3,306,136
Financial assets at fair value through profit or loss	111,566	196,928
Deferred income tax assets	810,575	938,049
<b>Total assets per consolidated balance sheet</b>	<b>144,483,013</b>	<b>148,184,892</b>
Reportable and other segments' liabilities are reconciled to total liabilities as follows:		
Total segment liabilities	51,913,421	45,996,944
Current borrowings (Note 15)	6,414,155	8,565,785
Non-current borrowings (Note 15)	36,573,843	43,360,054
Deferred income tax liabilities	2,689,981	2,071,835
<b>Total liabilities per consolidated balance sheet</b>	<b>97,591,400</b>	<b>99,994,618</b>

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the Mainland China. Revenues from external customers of the Group are mainly derived in the Mainland China for the six months ended 30 June 2016 and 2015.

As at 30 June 2016, total non-current assets other than financial instruments and deferred income tax assets located in the Mainland China is RMB24,477,797,000 (31 December 2015: RMB23,534,447,000), the total of these non-current assets located in Hong Kong and the United States is RMB462,243,000 (31 December 2015: RMB445,601,000).

For the six months ended 30 June 2016 and 2015, the Group does not have any single customer with the transaction value over 10% of the total external sales.

Revenue consists of sales from the property development segment, and rental income as derived from the investment property segment, which are RMB7,783,275,000 and RMB447,456,000 for the six months ended 30 June 2016 and RMB14,042,349,000 and RMB364,717,000 for the six months ended 30 June 2015, respectively.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 8 Property, plant and equipment and land use rights

	Unaudited	
	Property, plant and equipment RMB'000	Land use Rights RMB'000
<b>Opening net book amount as at 1 January 2016</b>	584,068	52,094
Additions	24,216	–
Depreciation and amortization	(15,802)	(1,693)
Increase due to business combination (Note 25)	2,058	–
Disposals	(279)	–
<b>Closing net book amount as at 30 June 2016</b>	<b>594,261</b>	<b>50,401</b>
<b>Opening net book amount as at 1 January 2015</b>	263,694	8,739
Additions	19,745	–
Depreciation and amortization	(17,698)	(117)
Disposals	(1,227)	–
Partial disposal of interests in a subsidiary	(153)	–
<b>Closing net book amount as at 30 June 2015</b>	<b>264,361</b>	<b>8,622</b>

## 9 Investment properties

	Unaudited	
	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Opening net book amount at beginning of the period</b>	<b>13,555,320</b>	11,882,712
Addition	<b>178,659</b>	100,900
Transfer from completed properties held for sale	–	311,968
Currency translation differences	<b>9,178</b>	–
Fair value gains	<b>1,066,592</b>	315,488
<b>Closing net book amount at end of the period</b>	<b>14,809,749</b>	12,611,068

Investment properties for the carrying values of RMB10,804,690,000 and RMB10,980,199,000 were pledged as collateral for the Group's borrowings (Note 15) as at 30 June 2016 and 31 December 2015, respectively.



## 10 Available-for-sale financial assets

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Investment in other unlisted equity securities (a)	569,420	365,420
Investment in fund investments (b)	2,063,832	2,862,874
Investment in other equity securities (c)	143,595	–
Others	79,752	77,842
	<b>2,856,599</b>	3,306,136
Less: non-current portion	<b>(2,856,599)</b>	(3,306,136)
Current portion	–	–

- (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 RMB2,063,832,000 (31 December 2015: RMB2,862,874,000). 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.
- (c) Available-for-sale financial assets of the Group include a certain listed equity security which is mainly denominated in RMB. The fair value of listed security represents the share price of the respective securities in the active stock market.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 11 Trade and other receivables

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade receivables (a)	875,922	763,055
Less: provision for impairment	(17,443)	(17,371)
Trade receivables — net	858,479	745,684
Tax prepayments for advance receipts from customers	2,662,694	2,561,304
Entrusted loans to third parties (b)	6,641,486	4,831,645
Entrusted loans to joint ventures (c)	6,483,475	9,583,233
Entrusted loans to associates (d)	528,178	1,969,083
Entrusted loan to a non-controlling interest (e)	266,986	80,622
Receivables from government (f)	1,724,097	1,577,117
Receivables from partial disposal of interests in a subsidiary	—	292,078
Receivables from disposal of interests in an associate	248,000	—
Amounts due from joint ventures (g)	3,339,398	7,165,797
Amounts due from associates (g)	2,036,582	2,645,054
Amounts due from non-controlling interests (g)	143,250	201,323
Amounts due from third parties (g)	4,388,220	340,907
Cooperation deposits (h)	6,831,950	4,069,169
Other prepayments	317,385	213,730
Other receivables	839,833	542,924
	<b>37,310,013</b>	36,819,670
Less: non-current portion	<b>(7,959,978)</b>	(12,644,947)
Current portion	<b>29,350,035</b>	24,174,723

### (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 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 6 months	734,548	565,036
Between 6 months to 1 year	74,928	110,787
Between 1 year to 2 years	40,401	50,300
Between 2 years to 3 years	17,282	27,137
Over 3 years	8,763	9,795
	<b>875,922</b>	763,055

As at 31 December 2015, trade receivables of RMB45,603,000 were pledged as collateral for the Group's borrowing. The borrowing has been repaid and the pledge has been released in 2016.

## 11 Trade and other receivables *(Continued)*

(b) As at 30 June 2016, entrusted loans to third parties comprised:

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Unsecured loans (i)	<b>6,337,645</b>	4,460,845
Secured loans (ii)	<b>303,841</b>	370,800
	<b>6,641,486</b>	4,831,645
Less: Non-current portion	<b>(3,961,310)</b>	(1,513,117)
	<b>2,680,176</b>	3,318,528

- (i) Such loans bear interest ramping from 3.5% to 15% per annum (2015: from 4.625% to 15%).
- (ii) Such loans bear interest ramping from 4.85% to 12.1% per annum (2015: from 6% to 12.1%).
- (c) Entrusted loans to joint ventures are unsecured, interest bearing from 3.38% to 15% per annum (31 December 2015: from 3.38% to 18%). RMB3,304,379,000 (31 December 2015: RMB304,712,000) of the balances are repayable within one year. The remaining balances of RMB3,179,096,000 (2015: RMB9,278,521,000) are repayable after one year and included in the non-current portion.
- (d) Entrusted loans to associates are unsecured, interest bearing from 3.5% to 5.31% per annum (31 December 2015: 5% to 12%). As at 30 June 2016, all the balances are repayable after one year and included in the non-current portion. As at 31 December 2015, RMB248,234,000 of the balances are repayable within one year, and the remaining balances of RMB1,720,849,000 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 on demand and included in the 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) Amounts due from joint ventures, associates, non-controlling interests and third parties are unsecured, interest free, and repayable on demand.
- (h) Balances represent amounts paid to certain third parties, with the intention of future cooperation in real estate project development. As at 30 June 2016, such cooperation is still in negotiation stage.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 12 Amounts due from customers for contract work

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Contract cost incurred plus recognized profit	4,913,897	4,194,906
Less: Progress receivables	(4,272,788)	(3,279,115)
Contract work-in-progress	641,109	915,791
Representing:		
Amounts due from customers for contract work	641,109	915,791
	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2016	2015
	RMB'000	RMB'000
Contract revenue recognized as revenue in the period	497,221	184,839

## 13 Capital

	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
<b>Ordinary shares, issued and fully paid:</b>					
Opening balance					
1 January 2016	7,513,589,657	29,910,127	26,915,412	-	26,915,412
Issue of shares pursuant to exercise of employee share options (a)	290,000	1,421	1,196	-	1,196
Vesting of shares under Restricted Share Award Scheme	-	8,748	1,709	-	1,709
	7,513,879,657	29,920,296	26,918,317	-	26,918,317
<b>Restricted Share Award Scheme (b)</b>					
Opening balance					
1 January 2016	(9,026,813)	-	-	(32,366)	(32,366)
Purchase of shares for Restricted Share Award Scheme	(15,240,024)	-	-	(47,097)	(47,097)
Vesting of shares under Restricted Share Award Scheme	13,928,250	-	-	48,685	48,685
	(10,338,587)	-	-	(30,778)	(30,778)
<b>At 30 June 2016</b>	<b>7,503,541,070</b>	<b>29,920,296</b>	<b>26,918,317</b>	<b>(30,778)</b>	<b>26,887,539</b>

## 13 Capital *(Continued)*

	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:					
Opening balance					
1 January 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

- (a) Employee share options exercised during the period ended 30 June 2016 resulted in 290,000 shares being issued (30 June 2015: 47,613,828 shares), with total proceeds of approximately HKD 1,035,000 (30 June 2015: HKD 169,981,000). The related weighted average price at the time of exercise was HKD 3.57 (30 June 2015: HKD 3.57) 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. No shares (for the six months ended 30 June 2015: 20,147,300 shares) were granted to the selected employees of the Group for the six months ended 30 June 2016. As at 30 June 2016, 27,988,830 shares (30 June 2015: 37,108,025 shares) were granted but not yet vested under the scheme.

## 14 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.

In May 2016, the Group repurchased all the capital securities.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 15 Borrowings

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Non-current	36,573,843	43,360,054
Current	6,414,155	8,565,785
	<b>42,987,998</b>	51,925,839

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
At beginning of the period	51,925,839	45,603,844
New bank loans raised	1,508,734	3,186,543
Other loans raised (b)	2,800,000	9,056,871
Bond issuance (c)	3,981,870	7,165,981
Repayment of bank loans	(12,217,090)	(5,723,150)
Repayment of other loans	(4,694,000)	(9,014,998)
Partial disposal of interests in a subsidiary	–	(4,285,100)
Disposal of entire interests in a subsidiary (Note 24)	(666,000)	–
Currency translation differences	312,715	–
Changes of carrying value of corporate bonds	35,930	57,396
At end of the period	<b>42,987,998</b>	46,047,387

(a) As at 30 June 2016, long-term and short-term borrowings amounting to RMB5,659,980,000 were secured by investment properties, and completed properties held for sale of the Group.

As at 31 December 2015, long-term and short-term borrowings amounting to RMB13,233,855,000 were secured by investment properties, properties under development, trade and other receivables, completed properties held for sale of the Group.

(b) During the six months ended 30 June 2016, other loans amounting to RMB2,800,000,000 are raised from financial institutions. Such loans bear an interest rate of 9.5% per annum.

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.

(c) In the six months period ended 30 June 2016, Sino-Ocean Land Limited, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB4,000,000,000 with maturity period of 5 years and annual interest rate of 3.50%. The bonds are unsecured.

(d) Interest expense on borrowings for the six months ended 30 June 2016 is RMB1,578,777,000 (six months ended 30 June 2015: RMB1,772,112,000).

## 16 Trade and other payables

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade payables (a)	9,579,497	10,371,633
Accrued expenses	2,548,734	2,568,662
Amounts due to joint ventures (b)	6,062,136	816,242
Amounts due to associates (b)	2,206,585	3,709,506
Amounts due to non-controlling interests (b)	157,300	30,261
Amounts due to government	17,303	83,458
Other tax payable	241,516	556,757
Other payables	9,169,669	7,138,399
	<b>29,982,740</b>	25,274,918
Less: non-current portion	(12,672)	(13,377)
Current portion	<b>29,970,068</b>	25,261,541

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

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 6 months	5,009,966	6,402,922
Between 6 months to 12 months	3,271,801	1,568,870
Between 1 year to 2 years	1,135,594	1,820,473
Between 2 years to 3 years	143,063	400,477
Over 3 years	19,073	178,891
	<b>9,579,497</b>	10,371,633

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

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 17 Other (losses)/gains — net

	Unaudited Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Gains/(losses) on disposal of subsidiaries (Note 24)	63,466	(437)
Losses on partial disposal of interests in a subsidiary	—	(2,983)
Gains on disposal of joint ventures and associates	14,601	—
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(15,426)	195,693
Fair value losses of financial assets at fair value through profit or loss	(8,304)	(62,814)
Gains on disposal of available-for-sale financial assets	—	4,050
Gains on disposal of property, plant and equipment	259	5,297
Exchange (losses)/gains	(260,031)	11,781
Other (losses)/gains	(410)	11,237
	<b>(205,845)</b>	<b>161,824</b>

## 18 Finance costs

	Unaudited Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Interest expense:		
— Bank borrowings	458,225	754,732
— Other borrowings	1,120,552	1,017,380
Less: interest capitalized at a capitalization rate of 5.54% (2015: 6.49%) per annum	(1,267,158)	(1,485,407)
	<b>311,619</b>	<b>286,705</b>

## 19 Income tax expense

Majority of the group entities are subjected to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2016 and 2015. 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	
	2016 RMB'000	2015 RMB'000
Current income tax:		
— PRC enterprise income tax	394,191	433,346
— PRC land appreciation tax	461,804	208,982
Deferred income tax	598,398	488,694
	<b>1,454,393</b>	<b>1,131,022</b>



## 20 Earnings per share

### (a) Basic

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
Profit attributable to owners of the Company (RMB'000)	<b>1,447,754</b>	2,195,325
Distribution relating to capital securities (RMB'000)	<b>(111,078)</b>	(125,717)
Profit used to determine basic earnings per share(RMB'000)	<b>1,336,676</b>	2,069,608
Weighted average number of ordinary shares in issue (thousands)	<b>7,504,165</b>	7,378,448
Basic earnings per share (RMB per share)	<b>0.178</b>	0.280

### (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.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
Profit attributable to owners of the Company (RMB'000)	<b>1,447,754</b>	2,195,325
Distribution relating to capital securities (RMB'000)	<b>(111,078)</b>	(125,717)
Profit used to determine diluted earnings per share(RMB'000)	<b>1,336,676</b>	2,069,608
Weighted average number of ordinary shares in issue (thousands)	<b>7,504,165</b>	7,378,448
Adjustment for:		
— share options (thousands)	—	6,258
— shares held for the Restricted Share Award Scheme (thousands)	<b>235</b>	1,839
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<b>7,504,400</b>	7,386,545
Diluted earnings per share (RMB per share)	<b>0.178</b>	0.280

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 21 Dividends

On 18 August 2016, the Board has resolved to declare an interim dividend of RMB507,317,000 for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB465,517,000).

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
Final dividends paid	<b>319,091</b>	980,084
Proposed interim dividend of RMB0.07 (2015: RMB0.06) per ordinary share	<b>507,317</b>	465,517

## 22 Financial guarantees

(a) The Group had the following financial guarantees as at the end of 30 June 2016 and 31 December 2015:

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Guarantees in respect of mortgage facilities for certain purchasers	<b>2,404,413</b>	2,298,787

As at 30 June 2016 and 31 December 2015, 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 2016, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB5,139,610,000 (31 December 2015: RMB8,456,500,000). Properties under development owned by these joint ventures and associates are the primary collateral of such borrowings.

## 23 Commitments

(a) Capital commitments

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

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Land use rights	<b>708,000</b>	7,883
Properties under development	<b>5,973,251</b>	6,801,003
Commitment of Investment	–	496,122
Contracted but not provided for	<b>6,681,251</b>	7,305,008

## 23 Commitments *(Continued)*

### (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:

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
Within 1 year	793,423	752,533
Between 1 to 5 years	1,580,046	1,407,922
Over 5 years	684,476	755,340
	<b>3,057,945</b>	2,915,795

## 24 Disposal of entire interests in a subsidiary

In June 2016, Sino-Ocean Land Limited, a wholly-owned subsidiary of the Company, withdrew partnership from Beijing Yuanshengruilian Investment Management Center (Limited Partnership) ("Yuansheng Ruilian"), another subsidiary of the Group, which resulted in disposal of the entire interests in Yuansheng Ruilian at a consideration of RMB385,500,000. The effect of disposal of a subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	<b>Six months ended 30 June 2016 RMB'000</b>
Proceeds received in cash on disposal of subsidiary	385,500
Carrying value of the Yuansheng Ruilian's net assets disposed — shown as below	<b>(322,034)</b>
Gains on disposal of the subsidiary	<b>63,466</b>

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

	<b>Carrying value RMB'000</b>
Available-for-sale financial assets	1,000,000
Cash and cash equivalents	1,550
Long term borrowings	(666,000)
Other payables	(13,516)
Net assets disposed	322,034
<b>Inflow of cash to dispose a subsidiary, net of cash disposed</b>	
Proceeds received in cash	385,500
Cash and cash equivalents in a subsidiary disposed of	(1,550)
Net cash inflow on disposal	383,950

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 25 Business combinations

On 31 March 2016, the Group acquired 100% of the equity interests of Zhao De Land Limited and its subsidiary (together, "Zhao De Land") at a consideration of HKD 883,402,000, equivalent to RMB729,054,000, and obtained the control of Zhao De Land.

The following table summarises the consideration paid for Zhao De Land, the fair value of assets acquired and liabilities assumed at the acquisition date.

	Six months ended 30 June 2016 RMB'000
Identifiable net assets acquired	729,338
Consideration:	
— Cash paid	(69,721)
— Payable on business combination	(659,333)
Excess of consideration paid recognized in profit or loss as other gains	284

Recognised amounts of identifiable assets acquired and liabilities acquired

	RMB'000
Cash and cash equivalents	71,449
Property, plant and equipment	2,058
Deferred income tax assets	5,062
Properties under development	475,975
Completed properties held for sale	1,674,309
Trade and other receivables	40,778
Trade and other payables	(1,130,391)
Advance receipts from customers	(231,344)
Income tax payables	(8,552)
Deferred income tax liabilities	(152,284)
Non-controlling interests	(17,722)
Total identifiable net assets	729,338

The fair value of trade and other receivables is RMB40,778,000.

The revenue included in the consolidated income statement since 31 March 2016 contributed by Zhao De Land was RMB254,041,000. Zhao De Land also contributed profit of RMB40,925,000 over the same period.

Had Zhao De Land been consolidated from 1 January 2016, the consolidated income statement would show pro-forma revenue of RMB309,620,000 and profit of RMB29,283,000.

## 26 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 2016 and 2015:

### (a) Sales of services

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
Provision of services:		
— A shareholder	55,250	4,313
— Joint ventures	165,190	6,020
— Associates	178,188	40,547
	<b>398,628</b>	50,880

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
— Joint ventures	379,453	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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2016</b>	2015
	<b>RMB'000</b>	RMB'000
Salaries and other short-term employee benefits	13,435	12,533
Post-employment benefits	882	670
Share-based payment	23,065	26,237
	<b>37,382</b>	39,440

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 26 Related party transactions *(Continued)*

### (d) Interest income

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2016	2015
	RMB'000	RMB'000
Interest received:		
— Joint ventures	400,495	172,115
— Associates	56,617	21,123
	<b>457,112</b>	<b>193,238</b>

### (e) Entrusted loans to related parties

	As at	As at
	30 June	31 December
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Audited)
— Joint ventures (Note 11)	6,483,475	9,583,233
— Associates (Note 11)	528,178	1,969,083
	<b>7,011,653</b>	<b>11,552,316</b>

### (f) Amounts due from related parties

	As at	As at
	30 June	31 December
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Audited)
— Joint ventures (Note 11)	3,339,398	7,165,797
— Associates (Note 11)	2,036,582	2,645,054
	<b>5,375,980</b>	<b>9,810,851</b>

### (g) Advance receipts from related parties

	As at	As at
	30 June	31 December
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Audited)
— An associate	2,280	—

## 26 Related party transactions *(Continued)*

### (h) Amounts due to related parties

	<b>As at 30 June 2016 RMB'000 (Unaudited)</b>	As at 31 December 2015 RMB'000 (Audited)
— Joint ventures (Note 16)	<b>6,062,136</b>	816,242
— Associates (Note 16)	<b>2,206,585</b>	3,709,506
	<b>8,268,721</b>	4,525,748

### (i) Financial guarantees to related parties

As at 30 June 2016, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB5,139,610,000 (31 December 2015: RMB8,456,500,000).

## 27 Events after the balance sheet date

On 14 July 2016, Joy Orient Investments Limited ("Joy Orient"), a wholly-owned subsidiary of the Company, purchased 287,741,000 shares of China Logistics Property Holdings Co., Ltd ("China Logistics") at the price of HKD 3.25 per share, representing approximately 9.99% of the shares in issue of China Logistics as at the date of its listing on the Stock Exchange.

# List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (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			遠洋悅山水(北京)	Happy Garden (Beijing)	通州臨空新村31地塊	Linkongxincun No. 31 plot, Tongzhou District
6			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
7			26街區(北京)	26 Block (Beijing)	順義佳利華項目	Jialihua Project, Shunyi District
8			密之雲項目(北京)	Mizhiyun Project (Beijing)		
9			順義南法信項目(北京)	Nanfaxin Project, Shunyi District (Beijing)		
10			遠洋都市網景(北京)	Ocean Cityscape (Beijing)		
11			遠洋•萬和公館(北京)	Ocean Crown (Beijing)	大望京項目	Dawangjing Project
12			遠洋天著春秋(北京)	Ocean Epoch (Beijing)	石景山區劉娘府項目	Liuniangfu Project, Shijingshan District
13			遠洋新幹線(北京)	Ocean Express (Beijing)		
14			遠洋•萬和城(北京)	Ocean Great Harmony (Beijing)		
15			遠洋公館(北京)	Ocean Honored Chateau (Beijing)		
16			遠洋國際中心(北京)	Ocean International Center (Beijing)		
17			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
18			遠洋山水(北京)	Ocean Landscape (Beijing)		
19			遠洋•沁山水(北京)	Ocean Landscape Eastern Area (Beijing)	遠洋•沁山水 E02/03 項目	Ocean Landscape Eastern Area E02/03 Project
20			遠洋•LA VIE(北京)	Ocean LA VIE (Beijing)		
21			遠洋•傲北(北京)	Ocean Manor (Beijing)	北七家	Beiqijia Project
22			遠洋萬和四季(北京)	Ocean Melody (Beijing)		
23			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
24			遠洋•光華國際(北京)	Ocean Office Park (Beijing)		
25			遠洋•東方公館(北京)	Ocean Oriental Mansion (Beijing)	通州玉橋項目	Tongzhou Yuqiao Project
26			遠洋•天著(北京)	Ocean Palace (Beijing)	亦庄三羊項目	Yizhuang Sanyang Project
27			遠洋天地(北京)	Ocean Paradise (Beijing)		
28			遠洋大廈(北京)	Ocean Plaza (Beijing)		
29			遠洋風景(北京)	Ocean Prospect (Beijing)		
30			遠洋新世界(北京)	Our New World (Beijing)	遠洋春天著	Ocean Spring
31			遠洋未來廣場(北京)	Ocean We-life Plaza (Beijing)		
32			門頭溝新城6002地塊(北京)	Plot 6002, Mentougou New Town (Beijing)		
33			遠洋一方(北京)	POETRY OF RIVER (Beijing)		
34			遠洋•新悅(北京)	The Place (Beijing)	遠洋一方東區	Poetry of River Eastern Area
35			通州西集C地塊(北京)	Xiji Plot C, Tongzhou District (Beijing)		
36			麗澤商務區項目(北京)	Lize Business District Project (Beijing)		



	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
37		Tianjin	遠洋香奈(天津)	Ocean Chanson (Tianjin)	奧萊二期居住項目	Outlets Phase II Residential Project
38			遠洋城(天津)	Ocean City (Tianjin)		
39			遠洋新幹線(天津)	Ocean Express (Tianjin)		
40			遠洋•萬和城(天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project
41			遠洋心裡(天津)	Ocean Inside (Tianjin)	濱海新區港濱路項目	Gangbin Road Project, Binhai New District
42			遠洋國際中心(天津)	Ocean International Center (Tianjin)		
43			遠洋天地(天津)	Ocean Paradise (Tianjin)	海河新天地	Ocean Paradise
44			遠洋風景(天津)	Ocean Prospect (Tianjin)		
45			遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)		
46			紅熙郡一期(天津)	Royal River Phase I (Tianjin)	武清項目	Wuqing Project
47			紅熙郡二期(天津)	Royal River Phase II (Tianjin)		
48			北辰宜興埠項目(天津)	Yixingbu Project, Beichen District (Tianjin)		
49	Northeast Region	Dalian	香頰花城(大連)	Chanson Garden (Dalian)		
50			遠洋•鑽石灣(大連)	Ocean Diamond Bay (Dalian)		
51			遠洋壹中心(大連)	Ocean MIDTOWN (Dalian)	西山項目	Xishan Project
52			遠洋廣場(大連)	Ocean Plaza (Dalian)		
53			遠洋風景(大連)	Ocean Prospect (Dalian)		
54			遠洋自然(大連)	Ocean Seasons (Dalian)		
55			紅星海世界觀(大連)	Ocean Worldview (Dalian)		
56			遠洋創智高地(大連)	Sino-Ocean Technopole (Dalian)	IT產業園—工業部分	IT Zone — Industrial
57			榮域(大連)	The Place of Glory (Dalian)	中華路3號地	Zhonghua Road Land Plot #3
58			小窑灣項目(大連)	Xiaoyao Bay Project (Dalian)		
59			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
60		Shenyang	遠洋天地(瀋陽)	Ocean Paradise (Shenyang)		
61			遠洋公館(瀋陽)	Ocean Residence (Shenyang)		
62		Changchun	遠洋•夏納小鎮(長春)	Ocean Cannes Town (Changchun)	長春淨月項目	Jingyue Project
63	Central Region	Shanghai	遠洋•財富中心(上海)	Ocean Fortune Center (Shanghai)		
64			遠洋7號(上海)	Ocean Mansion No.7 (Shanghai)		
65			遠洋萬和四季(上海)	Ocean Melody (Shanghai)	惠南項目	Huinan Project
66			東海商業項目(上海)	East Ocean Centre (Shanghai)		
67		Hangzhou	大運河商務區項目(杭州)	Canal Business Center Project (Hangzhou)		
68			遠洋香奈(杭州)	Ocean Chanson (Hangzhou)	江幹區丁橋R21-15項目	Dingqiao R21-15 Project, Jianggan District
69			遠洋心裡(杭州)	Ocean In Your Heart (Hangzhou)	普福項目	Pufu Project
70			遠洋公館(杭州)	Ocean Mansion (Hangzhou)	遠洋公館	Canal Commercial District
71			遠洋萬和四季(杭州)	Ocean Melody (Hangzhou)	江幹區彭埠項目	Pengbu Project, Jianggan District
72			拱墅區天馬廠南地塊(杭州)	South block of Tianma in Gongshu District (Hangzhou)		
73		Nanjing	遠洋綠地雲峰公館(南京)	Sino-Ocean Land Greenland Premier Court (Nanjing)	江寧區高新園G98項目	Gaoxinyuan G98 Project, Jiangning District
74			遠洋國際中心(南京)	Ocean International Center (Nanjing)		

# List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
75		Huangshan	遠洋桃花島(黃山)	An Island Paradise (Huangshan)	桃花島項目	Taohuadao Project
76		Qingdao	遠洋風景(青島)	Ocean Prospect (Qingdao)		
77			遠洋自然(青島)	Ocean Seasons (Qingdao)		
78			遠洋萬和四季(青島)	Ocean Melody (Qingdao)	黃島區五臺山路地塊	Wutaishan Road Plot, Huangdao District
79		Wuhan	賀家墩項目(武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project
80			遠洋莊園(武漢)	Ocean Manor (Wuhan)		
81			遠洋•世界(武漢)	Ocean World (Wuhan)		
82	Southern Region	Shenzhen	遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
83			遠洋新天地(深圳)	Ocean Metropolis (Shenzhen)	盛平項目	Shengping Project
84			水灣項目(深圳)	Shuiwan Project (Shenzhen)		
85			荔山項目(深圳)	Lishan Project (Shenzhen)		
86		Guangzhou	遠洋天驕(廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
87			白雲區穗花項目(廣州)	Honoka Project in Baiyun District (Guangzhou)		
88		Zhongshan	遠洋香堤(中山)	Ocean Aromas (Zhongshan)	連興園項目	Lianxingwei Project
89			遠洋錦上(中山)	Ocean Bloom (Zhongshan)	東鳳項目	Dongfeng Project
90			遠洋城(中山)	Ocean City (Zhongshan)		
91			遠洋翡翠郡一期(中山)	Ocean Emerald Phase I (Zhongshan)	南頭項目	Nantou Project
92			遠洋翡翠郡二期(中山)	Ocean Emerald Phase II (Zhongshan)		
93			遠洋一方(中山)	Ocean Magic City (Zhongshan)	新家園II期項目	Xinjiayuan Phase II
94			遠洋啟宸(中山)	Ocean New Era (Zhongshan)	橫欄項目	Henglan Project
95		Hong Kong	將軍澳日出康城六期(香港)	LOHAS Park Package 6, Tseung Kwan O (Hong Kong)		
96		Haikou	遠洋華壁(海口)	Ocean Zen House (Haikou)	遠洋浮木陣	Ocean Driftwood Array
97		Sanya	遠洋公館(三亞)	Ocean Mansion (Sanya)	遠洋奧林匹克公館	Ocean Olympics
98			棠棣項目一期(三亞)	Tang Di Project (Sanya)		
99			亞龍灣西山渡項目(三亞)	Mountain Creek (Sanya)		
100		Chongqing	九龍坡區高廟地塊(重慶)	Gaomiao Plot, Jiulongpo District (Chongqing)		
101			九龍坡區高廟地塊二期(重慶)	Gaomiao Project, Phase II, Jiulongpo District (Chongqing)		
102			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
103		Chengdu	睿東中心(成都)	Pinnacle One (Chengdu)	大慈寺項目	Dacisi Project
104			成都遠洋太古里(成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)		



