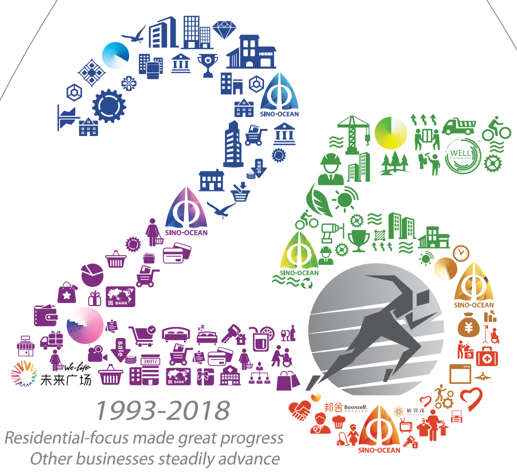
2018 | INTERIM REPORT

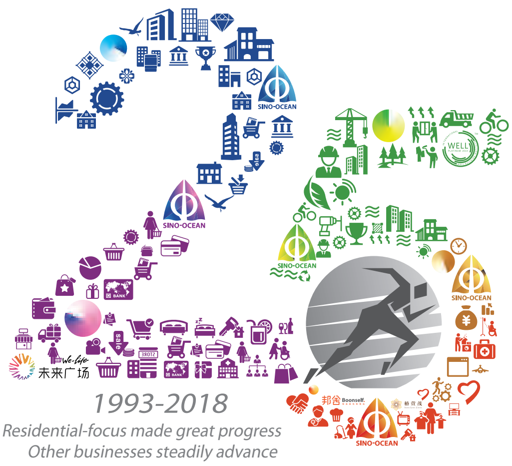


SINO-OCEAN

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

(Incorporated in Hong Kong with limited liability)
Stock Code: 03377.HK

SINO-OCEAN 遠洋集團



It is the 25th

anniversary of establishment of Sino-Ocean, and

the Group will carry out a new phase of strategy development.

SINO-OCEAN 遠洋集團
2018 Interim Report

奋进

Residential-focus made great progress

Other businesses steadily advance

01 ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited ("Sino-Ocean Group") was founded in 1993 and has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 September 2007 (03377.HK). As at 30 June 2018, Sino-Ocean Group had a total issued number of shares of approximately 7,600 million, whose major shareholders include China Life Insurance Company Limited and Anbang Insurance Group Co., Ltd.

Sino-Ocean Group has been selected by Hang Seng Indexes Company Limited as a constituent of Hang Seng Composite Index (HSCI), Hang Seng Composite Industry Indexes — Properties and Construction, Hang Seng China (Hong Kong-listed) 100 Index, Hang Seng Composite Size Indexes — Mid-Cap Index, Hang Seng Global Composite Index, Hang Seng Mainland Properties Index and Hang Sang Corporate Sustainability Benchmark Index.

Sino-Ocean Group prides itself on striving to "create quality living environments for mid- to high-end urban citizens and high-end business clients". We aim to build upon our proven track records in real estate development and grow into a leading group that excels in sector investments. Our scope of business includes mid- to high-end residential property development, investment and operation of urban property complexes and offices, property services, senior living, logistic properties, long-term rental apartment, real estate funds, equity investments, asset management and overseas investments.

Sino-Ocean Group currently owns more than 180 projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as, Beijing, Tianjin and Shijiazhuang in the Beijing-Tianjin-Hebei Region, Shanghai, Hangzhou, Nanjing and Suzhou in the Yangtze River Delta Region, Wuhan, Hefei and Changsha in the Yangtze Mid-stream Region, Shenzhen, Guangzhou, Zhongshan and Hong Kong in the Pearl River Delta Region, Chongqing and Chengdu in the Chengdu-Chongqing Region, and other major core cities. As at 30 June 2018, we had a land reserve of approximately 39,187,000 sq.m..

"Sino-Ocean" is a brand name with nationwide reputation as a provider of consistent quality products and professional services.

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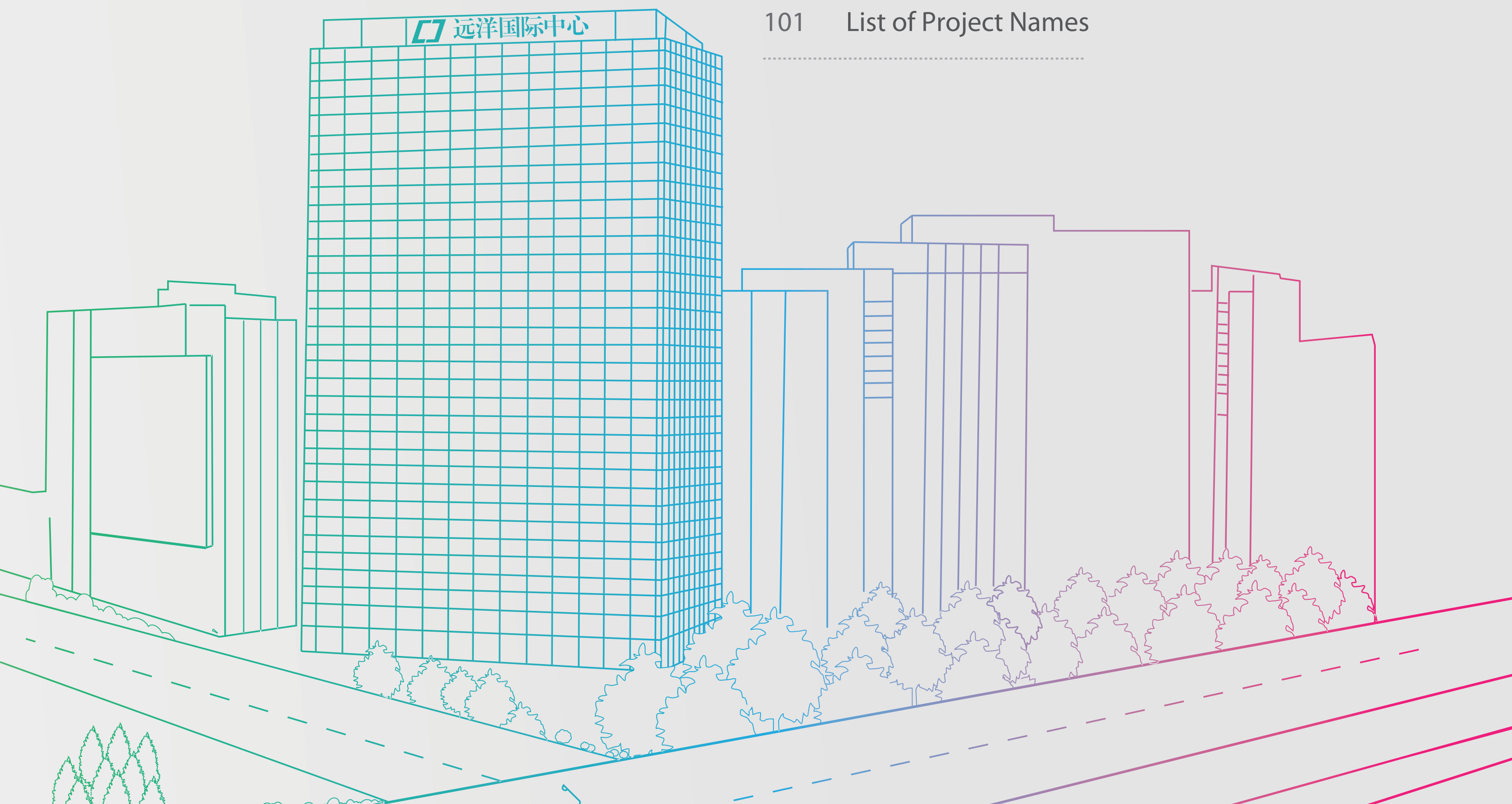


FINANCIAL & OPERATION HIGHLIGHTS

02

Six months ended 30 June (unaudited)

(RMB million)	2018	2017	% changes
Contracted sales	45,106	30,466	48%
Revenue	15,376	17,259	-11%
Gross profit	3,615	3,801	-5%
Profit for the period	2,720	2,996	-9%
Profit attributable to owners of the Company	2,333	2,668	-13%
Core profit	1,539	1,520	1%
Earnings per share (RMB)			
— Basic	0.310	0.358	-13%
— Diluted	0.308	0.358	-14%
Dividend per share (HKD)	0.140	0.167	-16%
Dividend payout ratio (%)	40%	40%	–
Gross profit margin (%)	24%	22%	2 pts
Net profit margin (%)	18%	17%	1 pt
Core profit margin (%)	10%	9%	1 pt
Saleable GFA sold ('000 sq.m.)	2,308	1,641	41%
Saleable GFA delivered ('000 sq.m.)	756	1,012	-25%

(RMB million)	As at 30 June 2018 (unaudited)	As at 31 December 2017 (audited)	% changes
Total assets	219,173	191,894	14%
Equity attributable to owners of the Company	48,923	48,502	1%
Cash resources[1]	25,814	24,766	4%
Net gearing ratio[2] (%)	76%	62%	14 pts
Landbank ('000 sq.m.)	39,187	34,088	15%

Notes:

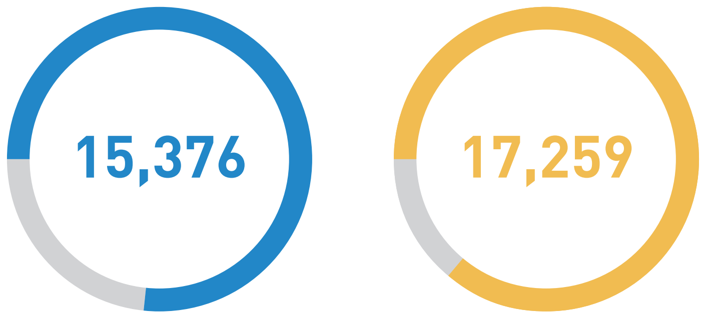
1 Including restricted bank deposits

2 Total borrowings minus cash resources divided by total equity

Revenue
(RMB million)

1H2018

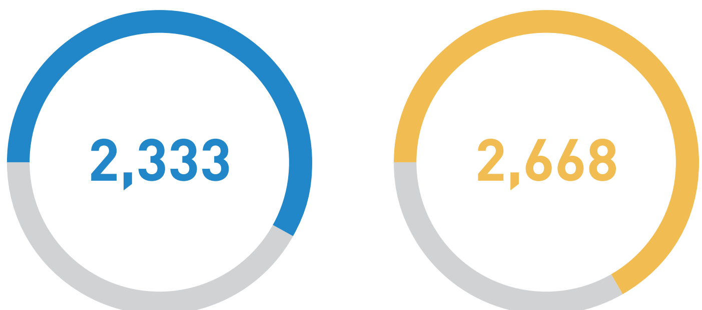
1H2017



Profit attributable to owners of the Company
(RMB million)

1H2018

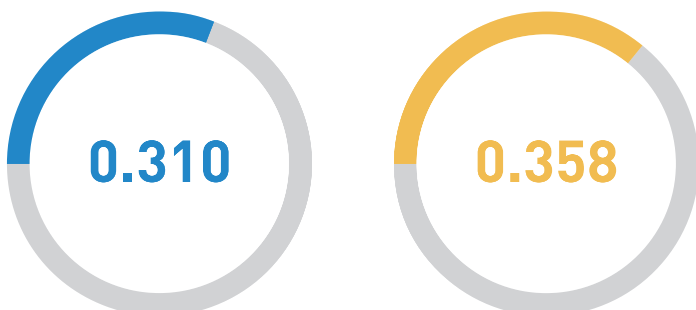
1H2017



Earnings per share
(RMB)

1H2018

1H2017



03 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 2018.

2018 INTERIM RESULTS

For the six months ended 30 June 2018, our Group's revenue was RMB15,376 million, representing a year-on-year ("YoY") drop of 11%, mainly affected by the timing of revenue recognition; gross profit margin was 24%, increasing by 2 percentage points as compared to the corresponding period last year; after the adjustments for one-off gain or loss, core profit margin reached 10%, increasing by 1 percentage point as compared to the corresponding period; profit attributable to owners of the Company was RMB2,333 million because of the higher one-off gain of the corresponding period, decreasing by 13%; earning per share was RMB0.31.

MARKET REVIEW AND OUTLOOK

The macro-economy remained stable in the first half of the year and there was no fundamental change in the control environment of the real estate industry. A state of 'high pressure' in general was prevalent. In a particularly complex and harsh external and domestic environment, China's GDP grew by 6.8% in the first half of the year. There was an increasing number of advantageous factors driving the economy towards high-end developments. In this context, control measures in the real estate industry from the central government adhered to the main theme of 'housing is for accommodation not speculation'. At the same time, supply-side reforms and long-term regulatory mechanisms were encouraged with a view to promoting changes and high-quality developments. Local governments on one hand supported the central government's appeal and continued to roll out and intensify control measures from key tier-one and tier-two cities to emerging tier-three and tier-four cities to capture any omissions. On the other hand, they applied differentiating policies to cities accordingly, with some cities offering incentives to attract talents which boosted effective demand to a certain extent and supported development.

In a 'high pressure' control environment, the industry maintained a high level of output and a balance of supply and demand. In terms of demand, total GFA of commodity housing sold in China in the first half of the year was 770 million sq. m., an increase of 3.3% YoY; sales volume was RMB6,700 billion, rising by 13.2%, both historic highs. The composition of transactions indicated that the five major city clusters were still the driving force while sales in the mid-west region accelerated. Within the city clusters there appeared movement from tier-one and tier-two, to peripheral tier-three and tier-four cities where control measures were milder and benefited from people displaced by rebuilding of rundown areas receiving monetary housing compensation. In terms of supply, total investment in real estate development reached RMB5,600 billion, up by 9.7% YoY; GFA of new construction was 960 million sq. m., a rise of 11.8% YoY. Both absolute value and growth rate were at a high level while total supply and transaction volume were relatively balanced. Market share of tier-three and tier-four cities in the mid-west region recorded notable growth in new real estate investments. Compositions of investments and transactions were balanced on the whole.

Competition among enterprises became fiercer and consolidation escalated rapidly. The TOP30 enterprises already occupied half of the market and the gap between echelons widened. Regulated financing and tightened credits accelerated the Matthew effect as the scale and efficiency of enterprises became the main factors of fund distribution within the industry. The highly inflated land market (income of local governments from land sales rose by 43%), mergers and acquisitions among enterprises and the quick turnaround strategy adopted by major developers in the first six months all pointed to one consensus: scale and efficiency are the decisive factors of survival. The next few years therefore will be a critical period for reshuffling and re-positioning of players within the industry. Besides the principal business, benchmarking enterprises are also actively seeking new growth points and directions for changing to satisfy the various needs of the public, such as senior living, long-term rental apartments, logistics, co-work space and health. The discrepancy between the excess in traditional development capacity and people's 'good life needs' determines that the enterprises that enjoy 'large scale and efficiency in principal business, have operational capability and understanding of services in new businesses' will much more likely survive.

Looking ahead to the next six months, the macro-economy and the supply demand balance within the industry still look stable. The 2018 annual government work report proposes that the Chinese economy switches from high speed growth to high quality development. Accordingly, the real estate market will also expand to high end businesses in stages. Urbanization, migration, development of city clusters and rising housing consumption will be the growth engines of the industry. The control policies are unlikely to undergo fundamental reversal due to long-term mechanisms, more people displaced by the rebuilding of rundown areas receiving monetary housing compensation rather than housing in cities with high stock level, and central bank policies such as across-the-board reserve ratio cuts. The industry scale is expected to stay at the current high level and transaction and pricing will plateau. As competition remains fierce, weak players will be eliminated and differentiation will intensify, enterprises will continue to boost scale, efficiency and innovative financing. In addition, the industry is changing at an even faster pace. Real estate related businesses that operate on 'asset value' such as senior living, long-term rental apartments, co-work space and logistics provide room for profit growth.

BUSINESS REVIEW AND STRATEGY

In 2018, the Sino-Ocean Group celebrates its 25th anniversary. It is also a decisive year for the Group's fourth phase of strategic development. In the first half of the year, the Group executed the year's theme of 'striving and progressing' with conviction and accelerated growth, promoted performance of our principal business of development and recorded breakthroughs in relevant diversified businesses, thus enabled the matching of investment and financing as required in the fourth phase of strategic development.

Principal business performance accelerated, advantageous position accentuated

The Group's development business recorded a historic high in the first half of the year. Nation-wide planning and deep penetration in key regions accelerated, accentuating our competitive edge.

The Group's contracted sales during the period reached RMB45,106 million, a hike of 48%; accumulated GFA sold 2.308 million sq. m., rising by 41% YoY. In June alone, contracted sales were RMB14.36 billion, a significant growth of 70% YoY, another record high for a single month. As a result of macro measures, the Group's cash proceeds cycle was lengthened, adding pressure to the sales income. However, the Group's cash proceeds and income in the period still exceeded target. In the latter half of the year, the Group will continue to emphasize efficiency of operation, drive scale and quick turnaround; enhance efficiency in the entire chain of land investment, positioning planning, construction, marketing and sales and customer services; ensure quality, build a solid foundation for achieving the year's target.

In the first half of the year, the Group continued to make dynamic investments, notably in the country's five major city clusters of the Beijing-Tianjin-Hebei, the Yangtze Delta, the Pearl River Delta, the Yangtze Mid-stream and the Chengdu-Chongqing. Believing that 'population growth generates savings growth per capita', we replenish our land reserve with quality resources wherever feasible. During the period, the Group's total new stock exceeded RMB130 billion, 90% of which was in key regions in the Beijing-Tianjin-Hebei, the Yangtze Delta and the Pearl River Delta. In the next half of the year, the Group's investments will continue to focus on 'quick turnaround', adhere to investment criteria and bottom line, persevere with deep cultivation of key regions, apply flexibly differentiating investment strategies and replenish quality resources to ensure performance growth.

Health product range perfected, efficiency and quality noticeably elevated

The Group initiated the 'building health' concept and is determined to label products and services with 'health' so that it becomes part of the Sino-Ocean image. In the first six months, the Group consistently rolled out the US WELL building standard and currently 24 projects covering over 1.38 million sq.m. are WELL certified. These projects are located throughout the country including a variety of buildings and types of usage. On 13 January 2018, Elite Palace in Guangzhou was the first in the world to be awarded WELL MFR registered gold-class and the first WELL standard residential community in China. On this basis, the Group developed its own 'building health system' including the healthy outlook 5H system, a superior grade WER system and a health intelligence system. This covers residential projects, commercial and office buildings, senior living and long-term rental apartments to ensure product upgrade in all dimensions.

In the latter half of this year, the Group's construction team will continue to promote the 'artisan spirit', focusing on customers' practical usage to raise quality management in the entire chain of positioning, planning, design, cost and construction, to craft high quality products and services in order to enhance overall quality and customer satisfaction. In addition, the Group will upgrade efficiency in the entire process of product design, construction, decoration and landscape gardening, and place even tighter cost control, all with a view to molding construction to be one of the Group's core competitive advantages in the future.

Innovative financing channels to safeguard business expansions

The Group employed multiple financing channels in a flexible way to ensure funding for various business expansions. In a stringent financing environment in the first six months, the Group successfully issued RMB6 billion medium-term notes, of which RMB3 billion were issued in January and February respectively, with cost of 3-year term under 6%. As at present, the Group has successfully issued the first tranche of corporate bonds in 2018 for RMB2 billion at a coupon rate of 4.7%, the lowest rate for any real estate corporate bonds in 2018. At the same time, the Group has also successfully issued a total of USD700 million 3-year floating interest bonds at a coupon rate of 3-month Libor+230bps. Diversified financing channels ensured that the Group's composite cost of capital was kept at a low level of 5.26%. In the next half of the year, the Group will continue to reinforce controls on financing and finance cost to ensure sustainable development for all businesses.

Strong execution powers raised operating efficiency

In the first half of the year, the Group operated according to the existing management system. The Group managed the financial indicators and critical nodes and set standard specifications. The business departments managed human resources, funds and materials independently. In the process, all parties executed and implemented policies and directives with conviction to augment turnaround time and efficiency. Supply cycle of the Group's first batch of new projects was sped up and various business departments delivered results in investment efficiency, cost control, improving design and construction, and disposal of non-performing assets. In the second half of the year, the Group will continue to execute with conviction and, while enabling independent decision-making by the business departments, emphasize results in scale, return, efficiency and cost. Management of the entire cycle and incentive mechanisms will be optimized to encourage everyone to strive and thrive and thus achieve the year's target.

Strategic businesses on the fast track while synergy went from strength to strength

While its principal business was expanding in the first half of the year, the Group pushed forward with various strategic businesses. Commercial buildings, office blocks, property management, senior living, long-term rental apartments and real estate finance were all on the fast track and gaining momentum in scale and capabilities as well as synergy with the principal business.

The commercial property operation continued to optimize its internal management as it grew quickly in its capability in recruiting tenants, construction and operation. In the first six months, total revenue from self-operated commercial projects rose more than 35%. The Group's self-owned major commercial complex Grand Canal Place in Hangzhou has soared quickly both in operating quality and reputation since its official opening last year, propelling the Group's investment property business to a new level.

Office operation also matured as revenue, EBITDA and operating quality advanced. Innovative businesses including co-work space and logistics real estate recorded new high in scale. At the same time, synergy between investment property and the principal business became even stronger. In the latter half of the year, the Group will continue to benchmark itself against the industry, raise its operating capability, promote synergy with the principal business, encourage co-operation with external parties and business innovation, and augment brand influence.

The traditional property management business developed steadily and service quality rose consistently. In the first half of the year, revenue from property management increased 31%. The Sino-Ocean big community system revolving around resource management, retail and delivery, living amenities and asset management is on trial in Beijing and Shanghai.

New services recorded notable growth. Six new projects of senior living were opened and currently there are over 10,000 beds in reserve. As service quality progressed from strength to strength so did the 'Senior Living L'Amore' brand. The apartment rental business grew rapidly in the first six months and currently there are over 4,500 units under management. In addition to the remarkable growth, the business model of senior living, rental apartments, health and Le Jia Delicious Family also matured and synergy was enhanced. In the next six months, the Group will continue to upgrade service quality and scale of property management, senior living and rental apartments, augment their business model and at the same time build a powerful team for the sustainable expansion of the customer service business.

Real estate finance supported the macro policy of 'risk aversion, de-leveraging' by restructuring business types and achieving quality growth. In the first half of the year, real estate finance recorded a significant increment in new assets and asset under management. Among the new investments, the ratio of debt investments declined significantly while equity in quality PE shares and overseas investments increased. Real equity financing and real estate equity funds through both domestic and overseas channels also helped optimize the finance structure. In the second half of the year, real estate finance will have major adjustments in expansion model, sourcing of funds and investment structure to improve risk aversion and management capability, and to progress from high speed growth to high quality expansion.

Stronger synergy among shareholders opened up new opportunities for strategic cooperation

As major shareholders, China Life Insurance Company Limited and Anbang Insurance Group Co., Ltd. have always strongly supported the Group's expansion by moving in sync in strategic orientation and business development. In May this year, the Group signed a strategic cooperation agreement with Anbang Insurance to found Sino-Ocean Bangbang Zhiye Company Limited in joint equity, to handle and operate Anbang Insurance's domestic real estate. The major shareholders are also working more closely with the Group on real estate and senior living. Their unreserved support continuously empowers the Group's healthy and solid development.

APPRECIATION

On behalf of the Board, I would like to extend my deepest gratitude to all shareholders, investors, local authorities, business partners and customers who have been most supportive; also to our directors, management and the entire staff for their dedicated hard work.

LI Ming
Chairman

22 August 2018, Hong Kong

MANAGEMENT DISCUSSION & ANALYSIS

04

FINANCIAL REVIEW

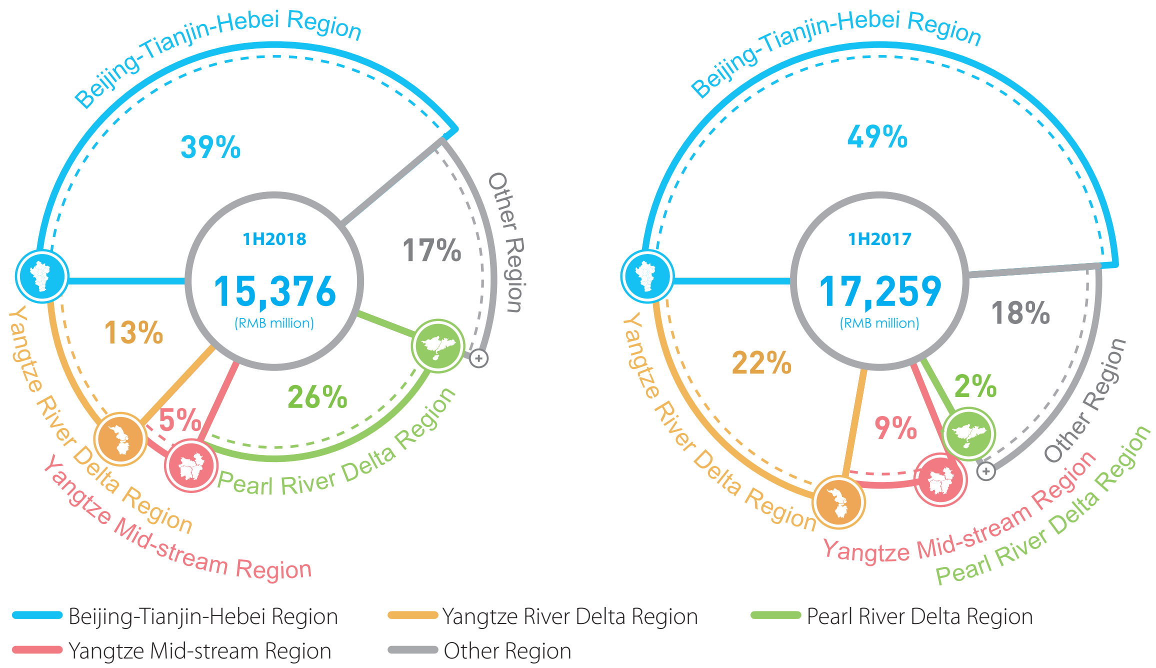
Revenue

The components of the revenue are analyzed as follows:

(RMB million)	1H 2018	1H 2017	Change (%)
Property development	12,955	15,180	-15%
Property investment	542	473	15%
Property management	594	452	31%
Other real estate related businesses	1,285	1,154	11%
Total	**15,376**	17,259	-11%

The Group's revenue in the first half of 2018 was RMB15,376 million, representing a 11% decrease as compared to RMB17,259 million in the first half of 2017. The decrease was due to decrease in number of projects being delivered in the first half of the year. The property development segment remained the largest contributor which accounted for approximately 84% of the Group's total revenue. Beijing as our home base accounted for approximately 36% of the Group's total revenue in the first half of 2018 (first half of 2017: 38%) and amounted to RMB5,495 million (first half of 2017: RMB6,619 million). As we have developed a diversified portfolio of landbank, contributions from other tier-one and tier-two cities remained stable. For the first half of 2018, contributions of revenue from cities including Hangzhou, Shenzhen, Guangzhou and Dalian amounted to RMB6,142 million, accounting for approximately 40% of total revenue. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

Revenue contributions by geographical locations are analyzed below:



Cost of sales

In line with the revenue and its components, the cost of property development for the first half of 2018 decreased to RMB9,970 million (first half of 2017: RMB12,016 million), which mainly comprised land cost and construction cost, accounted for 91% of the Group's total cost of property development during this period (first half of 2017: 91%). Including car parks, average land cost per sq.m. of the property development segment during the period increased to approximately RMB5,900 as compared to RMB5,200 in the first half of 2017. Average construction cost per sq.m. (including car parks) for property development segment increased to approximately RMB6,100 during the period, compared to RMB5,700 in the first half of 2017.

Gross profit

Gross profit for the period was RMB3,615 million, representing a decrease of 5% as compared to the corresponding period in 2017. Gross profit margin increased to approximately 24% (first half of 2017: 22%).

Other income and other gains/(losses), net

Interest and other income for the six months ended 30 June 2018 increased by 138% to RMB1,123 million (first half of 2017: RMB471 million). Such increase was mainly due to the overall increase in the entrusted loan interest income.

The Group recorded other losses (net) of RMB214 million (first half of 2017: other gains (net) of RMB901 million) due to the absence of one-off gains of the corresponding period last year. Other losses (net) mainly comprised the exchange losses and fair value losses of financial assets at fair value through profit or loss during the period.

Revaluation of investment properties

The Group recognized fair value gains on its investment properties (before tax and non-controlling interests) of RMB723 million for the first half of 2018 (first half of 2017: RMB435 million).

Operating expenses

Selling and marketing expenses for the first half of 2018 increased to RMB381 million, as compared to RMB295 million in the first half of 2017. These costs accounted for approximately 0.8% of the total contracted sales amount for the first half of 2018 (first half of 2017: 1.0%).

Administrative expenses for the first half of 2018 increased to RMB510 million (first half of 2017: RMB440 million), representing 3.3% of total revenue for the first half of 2018 (first half of 2017: 2.5%). 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 increased from 5.07% to 5.26% for the first half of 2018. The total interest expenses paid or accrued was RMB1,804 million (first half of 2017: RMB1,399 million), RMB666 million (first half of 2017: RMB492 million) of which was not capitalized and charged through condensed consolidated income statement.

Taxation

The aggregate of enterprise income tax and deferred tax decreased by 7% to RMB1,122 million for the first half of 2018 (first half of 2017: RMB1,201 million), with an effective tax rate of 29% (first half of 2017: 29%). In addition, land appreciation tax for the first half of 2018 increased to RMB893 million (first half of 2017: RMB589 million).

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 13% to RMB2,333 million in the first half of 2018, as compared to RMB2,668 million for the corresponding period last year. Core profit, excluding one-off items and fair value gains on investment properties, increased 1% to RMB1,539 million (first half of 2017: RMB1,520 million). Return on average equity was approximately 4.8% in the first half of 2018 (first half of 2017: 5.9%). Our management will continue to focus on the improvement of our shareholders' return as their on-going tasks.

Financial resources and liquidity

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

(RMB million)	**As at 30 June 2018**	As at 31 December 2017	Change (%)
Within 1 year	**16,585**	9,999	66%
1 to 2 years	**16,911**	13,817	22%
2 to 5 years	**25,365**	23,641	7%
Over 5 years	**14,268**	13,575	5%
Total	**73,129**	61,032	20%

During the first half of 2018, 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 medium-term notes of RMB6 billion in the first half of 2018. Total borrowings increased from RMB61,032 million as at 31 December 2017 to RMB73,129 million as at 30 June 2018. The increase was due to the tightening policy in the domestic credit market during the period, the Group therefore tapped the funding opportunities in advance at a lower cost while managing our borrowings at an appropriate level. Majority of the borrowings were denominated in Renminbi. The remaining borrowings were denominated in HKD and USD. Approximately 68% of the Group's borrowings were at fixed rate.

As at 30 June 2018, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB25,814 million, the majority of which were denominated in Renminbi, and a current ratio of 1.58 times. Together with the unutilized credit facilities of approximately RMB192,708 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 76% as at 30 June 2018 (31 December 2017: approximately 62%). We are comfortable with this gearing level given that we had RMB25,814 million cash resources on hand.

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

As at 30 June 2018, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB8,976 million (31 December 2017: RMB10,552 million).

During the first half of 2018, 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 RMB2,567 million (31 December 2017: RMB75 million) and long-term bank loans of RMB5,460 million (31 December 2017: RMB2,335 million). As at 30 June 2018, total pledged assets accounted for approximately 12% of the total assets of the Group (31 December 2017: 12%).

Capital commitments

The Group entered into certain agreements in respect of land acquisition and property development. As at 30 June 2018, the Group had a total capital commitment of RMB5,954 million (31 December 2017: RMB5,884 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 2018, the total amount of the aforesaid guarantees provided by the Group was RMB8,976 million (31 December 2017: RMB10,552 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon completion of the mortgage registration and were secured by the buyers' properties.

BUSINESS REVIEW

Property Development

1. Recognized sales

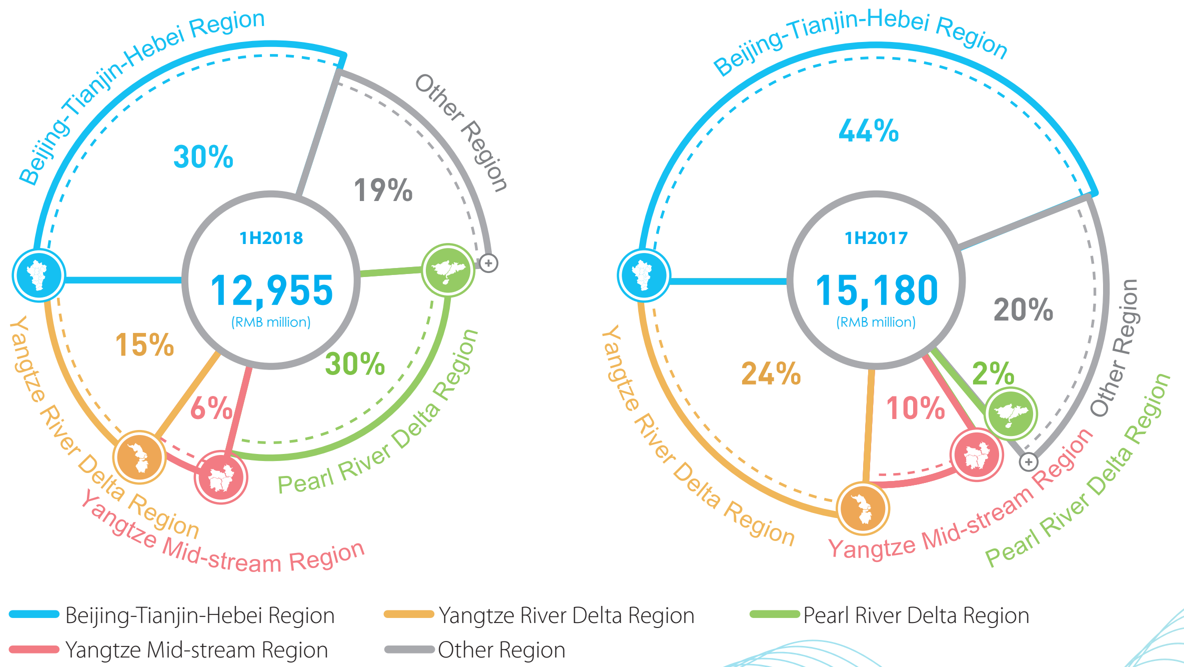
Revenue from property development segment fell by 15% in the first half of 2018 to RMB12,955 million as compared to RMB15,180 million for the corresponding period in 2017, primarily because of the timing of revenue recognition, projects being delivered in the first half of the year decreased. Saleable GFA delivered decreased by 25% from approximately 1,012,000 sq.m. in the first half of 2017 to approximately 756,000 sq.m. in the first half of 2018. Excluding car park sales, the average selling price recognized in the first half of 2018 was approximately RMB19,500 per sq.m. (first half of 2017: RMB16,300 per sq.m.).

Revenue and saleable GFA delivered from each project during the first half of 2018 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Beijing-Tianjin-Hebei Region	Beijing	3,378	61,200	55,200
	Tianjin	317	25,200	12,600
		3,695	**86,400**	**42,800**
Yangtze River Delta Region	Shanghai	322	11,600	27,800
	Hangzhou	1,439	53,500	26,900
	Nanjing	22	1,400	15,700
		1,783	**66,500**	**26,800**
Yangtze Mid-stream Region	Wuhan	689	84,500	8,200
		689	**84,500**	**8,200**
Pearl River Delta Region	Zhongshan	403	51,400	7,800
	Shenzhen	2,615	82,400	31,700
	Guangzhou	842	22,700	37,100
		3,860	**156,500**	**24,700**
Other Region	Dalian	899	63,900	14,100
	Shenyang	213	13,200	16,100
	Changchun	913	142,500	6,400
	Qingdao	77	4,100	18,800
	Sanya	135	4,600	29,300
	Haikou	80	7,000	11,400
		2,317	**235,300**	**9,800**
	Other projects	68	7,900	8,600
Subtotal (excluding carparks)		**12,412**	**637,100**	**19,500**
Carparks (various projects)		543	118,600	4,600
Total		**12,955**	**755,700**	**17,100**

During the first half of 2018, Beijing remained the largest contributor which accounted for 27% of the Group's total revenue from property development (first half of 2017: 33%). Meanwhile, we expect more balanced mix of contribution from the Yangtze River Delta Region and the Pearl River Delta Region on our revenue from property development during period under review.

Revenue from property development by geographical locations are analyzed below:



2. Contracted sales

Our contracted sales (including our joint ventures and associates) during the six months ended 30 June 2018 amounted to RMB45,106 million, representing an approximate 48% increase as compared to RMB30,466 million from the corresponding period in 2017. GFA sold for the first half of 2018 increased by 41% to 2,307,700 sq.m. (first half of 2017: 1,641,300 sq.m.). Excluding car park sales, the average selling price increased by 2% to RMB20,600 per sq.m. (first half of 2017: RMB20,100 per sq.m.).

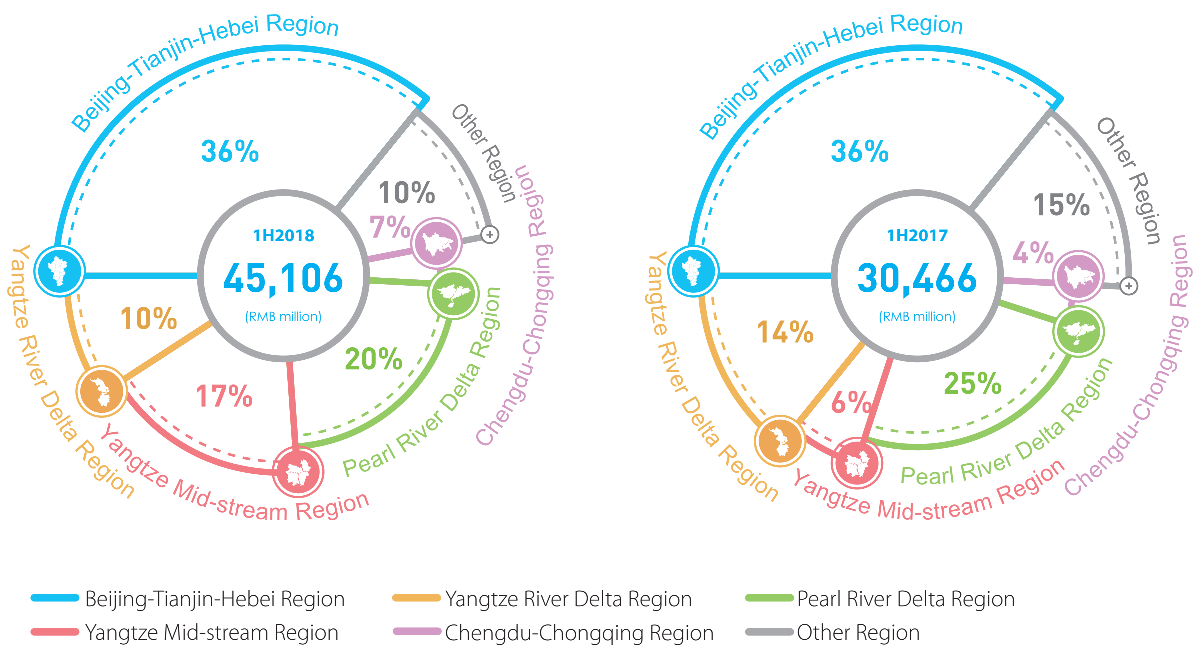
In terms of distribution, there were over 70 projects available for sale during the first half of 2018 (first half of 2017: over 50 projects), of which 31 were located in the Beijing– Tianjin–Hebei Region, accounting for about 36% of the total contracted sales amount, while contracted sales from tier-one and tier-two cities accounted for over 90% (first half of 2017: over 97%). As at 30 June 2018, the Group's unbooked contracted sales to be recognized amounted to RMB70,800 million, providing a strong and solid foundation for the Group's future revenue growth.

The contracted sales amounts and saleable GFA sold by cities during the first half of 2018 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Beijing-Tianjin-Hebei Region	Beijing	9,700	300,800	32,200
	Tianjin	3,672	172,700	21,300
	Shijiazhuang	2,497	215,600	11,600
		15,869	**689,100**	**23,000**
Yangtze River Delta Region	Shanghai	1,162	39,000	29,800
	Hangzhou	2,033	81,400	25,000
	Nanjing	486	30,500	15,900
	Wuxi	372	21,700	17,100
		4,053	**172,600**	**23,500**
Yangtze Mid-stream Region	Wuhan	4,086	222,300	18,400
	Hefei	2,569	149,400	17,200
	Changsha	884	63,700	13,900
	Nanchang	44	3,700	11,900
		7,583	**439,100**	**17,300**

Regions	Cities	Contracted sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Pearl River Delta Region	Zhongshan	3,070	235,300	13,000
	Shenzhen	2,427	71,500	33,900
	Guangzhou	3,625	89,700	40,400
		9,122	**396,500**	**23,000**
Chengdu-Chongqing Region	Chongqing	3,071	180,200	17,000
		3,071	**180,200**	**17,000**
Other Region	Dalian	1,715	100,100	17,100
	Shenyang	529	32,300	16,400
	Changchun	461	35,600	12,900
	Qingdao	543	32,000	17,000
	Sanya	913	21,500	42,500
	Haikou	34	2,700	12,600
		4,195	**224,200**	**18,700**
	Other projects	361	43,500	8,300
Subtotal (excluding carparks)		44,254	2,145,200	20,600
Carparks (various projects)		852	162,500	5,200
Total		**45,106**	**2,307,700**	**19,500**

Contracted sales amounts by geographical locations are analyzed below:



3. Landbank and Construction Progress

The Group's total GFA and total saleable GFA completed in the first half of 2018 were approximately 1,027,000 sq.m. and 904,000 sq.m., decreasing by 32% and 19% respectively as compared to the corresponding period in 2017 and completed approximate 29% of this year construction target. We will maintain our construction target of 2018 in order to have enough GFA available for sale and for delivery to achieve our target in 2018 and support our growth in 2019.

As at 30 June 2018, the landbank of the Group increased by 15% to 39,187,000 sq.m. (As at 31 December 2017: 34,088,000 sq.m.); while landbank with attributable interest increased to 21,062,000 sq.m. (As at 31 December 2017: 18,490,000 sq.m.). During the first half of 2018, we acquired 39 plots of land and 1 developed project. Total GFA and attributable interest GFA of the newly acquired land plots were approximately 6,044,000 sq.m. and 3,082,000 sq.m. respectively, with average acquisition cost per sq.m. of about RMB9,300. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2018 was approximately RMB7,000 (As at 31 December 2017: RMB6,500).

Details of the newly acquired land plots during the first half of 2018 are set out as follows:

Cities	Project	Total GFA acquired ('000 sq.m.)	GFA attributable to the Group ('000 sq.m.)	Interest attributable to the Group (%)
Landbank				
Beijing	Royal River Villa	132	26	20.00%
Beijing	Xanadu & Ocean Epoch	230	115	50.00%
Beijing	Xiji Plot E, Tongzhou District	139	70	50.00%
Beijing	Yongjingtaoyuan Project	692	339	49.00%
Tianjin	Boda Logistic Project	285	285	100.00%
Shijiazhuang	Jade Mansion	146	51	35.00%
Shanghai	Yuanbo Hotel Project	54	27	50.00%
Hangzhou	Neo 1	43	21	50.00%
Nanjing	Binjiang Logistics Project	58	22	38.00%
Nanjing	Ocean Seasons	234	234	100.00%
Suzhou	Easy Town	104	17	16.50%
Suzhou	Kunshan Yushan Cold Chain Logistics Project	62	21	34.00%
Suzhou	Plot 58, Suzhou New District	91	13	14.00%
Suzhou	Rocker Park	240	72	30.00%
Jiaxing	East Lake	109	36	33.00%
Jiaxing	Lakeside Wonderland	134	44	33.00%
Jiaxing	Plot 34, Jiashan	122	36	30.00%
Chuzhou	Xiangrong Road Project	108	108	100.00%
Changzhou	Sky Peninsula	101	40	40.00%
Taizhou	Jiaojiang Project	79	31	40.00%
Wuhan	Jiangxia Logistic Project	45	45	100.00%

Cities	Project	Total GFA acquired ('000 sq.m.)	GFA attributable to the Group ('000 sq.m.)	Interest attributable to the Group (%)
Zhongshan	Sino-Ocean Landscape	210	105	50.00%
Zhongshan	Suixicun 135 Project, Nantou	43	15	34.00%
Zhongshan	Suixicun 136 Project, Nantou	83	25	30.00%
Zhongshan	Suixicun 162 Project, Nantou	90	30	34.00%
Zhongshan	Suixicun 163 Project, Nantou	34	11	34.00%
Foshan	Plot 1 Sanshui New City, Sanshui District	285	140	49.00%
Foshan	Plot 2 Sanshui New City, Sanshui District	259	132	51.00%
Zhanjiang	Ocean City	612	278	45.50%
Maoming	Elite Palace	273	139	51.00%
Chongqing	Chayuan Project	178	89	50.00%
Chongqing	Chongqing College Town Project	102	51	50.00%
Chengdu	Ocean Habitat	123	63	51.00%
Chengdu	Jinniu Project	122	31	25.00%
Chengdu	Qingyang Project	71	35	50.00%
Kunming	Chenggong Project,Phase II	99	69	70.00%
Kunming	Kunming Airport Project	37	14	38.00%
Zhengzhou	Lvbo Plot 113, Lvbo	43	30	69.30%
Zhengzhou	Yongzhixing Cold Chain Logistics Project	172	172	100.00%
Subtotal		6,044	3,082	
Developed Project				
Shanghai	Amazing City	17	9	49.00%
Total		**6,061**	**3,091**	

The landbank by stages of development as at 30 June 2018 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	18,663	15,975	3,719
Properties under development	15,824	13,027	15,824
Properties held for future development	19,644	12,737	19,644
Total	**54,131**	**41,739**	**39,187**

The Group's landbank details as at 30 June 2018 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing-Tianjin-Hebei Region	Beijing	26 Block	Shunyi District, Beijing	79	79	79	23.00%
		CBD Plot Z6	Chaoyang District, Beijing	241	185	241	100.00%
		CBD Plot Z13	Chaoyang District, Beijing	162	126	162	10.00%
		Changping Sci-tech Park F2 Project	Changping District, Beijing	256	193	251	50.00%
		Eternal Scenery	Miyun District, Beijing	482	341	452	50.00%
		Grand Harmory Emerald Residence	Daxing District, Beijing	224	165	224	40.00%
		Huangcun 0901 Plot,Daxing District	Daxing District, Beijing	118	99	118	25.00%
		Jasper Epoch	Daxing District, Beijing	92	78	92	49.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	126	11.10%
		Lize Business District Project	Fengtai District, Beijing	441	331	441	17.25%
		Mentougou Tanzhe Temple Project	Mentougou District, Beijing	430	344	430	10.00%
		Mizhiyun Project	Miyun District, Beijing	80	71	42	90.00%
		Ocean Epoch	Shijingshan District, Beijing	264	198	195	100.00%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	93	85.72%
		Ocean Melody	Chaoyang District, Beijing	55	50	2	100.00%
		Ocean Metropolis	Mentougou District, Beijing	330	276	219	75.00%
		Ocean Palace	Daxing District, Beijing	436	383	83	100.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	595	21.00%
		Our New World	Fangshan District, Beijing	109	91	36	100.00%
		Plot 6002, Mentougou, New Town	Mentougou District, Beijing	125	97	125	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	132	20.00%
		Sino-Ocean Shin Kong Project	Tongzhou District, Beijing	479	334	479	50.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	230	50.00%
		Xiji Plot C, Tongzhou District	Tongzhou District, Beijing	221	170	109	30.00%
		Xiji Plot D, Tongzhou District	Tongzhou District, Beijing	128	113	128	10.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Yizhuang EDA Plot G2R1	Daxing District, Beijing	300	207	300	50.00%
		Yizhuang Motor Tower Project	Daxing District, Beijing	67	41	67	100.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	49.00%
				7,628	6,044	6,559	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Tianjin	Autoworld	Wuqing District, Tianjin	504	317	504	50.00%
		Binhai Hongze Zhizao Project	Binhai New Area, Tianjin	35	25	35	100.00%
		Binhai New Area Eco-Town Plot 5	Binhai New Area, Tianjin	185	135	185	42.90%
		Boda Logistic Project	Wuqing District, Tianjin	285	–	285	100.00%
		Haihe Jiaoyuyuan Plot 13	Jinnan District, Tianjin	227	171	227	33.00%
		Haihe Jiaoyuyuan Plot 14	Jinnan District, Tianjin	285	194	285	25.00%
		Ocean Chanson	Wuqing District, Tianjin	204	199	41	100.00%
		Ocean City	Binhai New Area, Tianjin	2,137	1,683	468	100.00%
		Ocean Express	Dongli District, Tianjin	335	288	3	100.00%
		Ocean Great Harmony	Xiqing District, Tianjin	350	290	50	100.00%
		Ocean Inside	Binhai New Area, Tianjin	183	176	55	60.00%
		Ocean International Center	Hedong District, Tianjin	321	200	96	100.00%
		Ocean Kunting	Binhai New Area, Tianjin	675	488	620	34.28%
		Ocean Prospect	Dongli District, Tianjin	321	309	53	100.00%
		Royal River	Wuqing District, Tianjin	349	333	155	100.00%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	448	60.00%
		Yixingbu Project, Beichen District	Beichen District, Tianjin	3,034	2,615	2,999	51.00%
				9,992	7,808	6,509	
	Shijiazhuang	Chang'an District Plot 015	Chang'an District, Shijiazhuang	228	171	228	51.00%
		Chang'an District Redevelopment Project	Chang'an District, Shijiazhuang	363	268	363	31.00%
		Jade Mansion	Gaocheng District, Shijiazhuang	146	99	146	35.00%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	115	20.00%
				852	641	852	
	Langfang	Nianziying Project	Guangyang District, Langfang	1,897	954	1,897	51.00%
		Xiang He Wan Run Project	Xianghe County, Langfang	269	180	269	20.00%
				2,166	1,134	2,166	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	203	60.00%
				20,841	**15,790**	**16,289**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Yangtze River Delta Region	Shanghai	Chongming Dongtan Project	Chongming District, Shanghai	1,072	672	1,007	13.54%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	31	100.00%
		Ocean Mansion No. 7	Baoshan District, Shanghai	117	110	4	100.00%
		Ocean Melody	Pudong New Area, Shanghai	323	279	137	100.00%
		Wellness Masterpiece	Qingpu District, Shanghai	49	41	49	50.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	50.00%
				1,674	1,147	1,282	
	Hangzhou	Canal Business Center Project	Gongshu District, Hangzhou	609	292	142	100.00%
		Chongxian B-6 Plot, Yuhang District	Yuhang District, Hangzhou	111	65	111	49.00%
		Chongxian C-7 Plot, Yuhang District	Yuhang District, Hangzhou	107	73	107	51.00%
		Natural Masterpiece	Gongshu District, Hangzhou	145	99	81	50.00%
		Neo 1	Gongshu District, Hangzhou	43	40	43	50.00%
		Ocean Melody	Jianggan District, Hangzhou	58	39	1	100.00%
		Seasons Countyard	Gongshu District, Hangzhou	129	89	129	50.00%
		Sino-Ocean Native Place	Xiaoshan District, Hangzhou	68	41	52	100.00%
				1,270	738	666	
	Nanjing	Binjiang Logistics Project	Jiangning District, Nanjing	58	–	58	38.00%
		Ocean Landscape	Jiangning District, Nanjing	147	121	146	70.00%
		Ocean Seasons	Lishui District, Nanjing	234	184	234	100.00%
		Sino-Ocean Land Greenland Premier Court	Jiangning District, Nanjing	71	67	30	50.00%
				510	372	468	
	Suzhou	Easy Town	Huqiu District, Suzhou	104	85	104	16.50%
		Fenhu Plot 006	Wujiang District, Suzhou	113	79	113	34.00%
		Kunshan Yushan Cold Chain Logistics Project	Yushan, Kunshan City	62	–	62	34.00%
		Ocean Melody	Port area, Taicang City	105	77	105	34.00%
		Plot 58, Suzhou New District	Huqiu District, Suzhou	91	75	91	14.00%
		Rocker Park	Huqiu District, Suzhou	240	198	240	30.00%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	68.75%
				764	514	764	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Wuxi	Haoshi Project	Wuxi New Area, Wuxi	63	52	63	40.00%
		Taihu Milestone	Wuxi New Area, Wuxi	116	93	116	40.00%
				179	145	179	
	Jiaxing	East Lake	Haining City, Jiaxing	109	73	109	33.00%
		Jiaxing Project	Hunan District, Jiaxing	96	–	96	38.00%
		Lakeside Wonderland	Xiuzhou District, Jiaxing	134	124	134	33.00%
		Plot 34, Jiashan	Jiashan County, Jiaxing	122	106	122	30.00%
				461	303	461	
	Chuzhou	Xiangrong Road Project	Chahe Town, Chuzhou	108	82	108	100.00%
	Changzhou	Sky Peninsula	Yanshan New Area, Liyang, Changzhou	101	99	101	40.00%
	Taizhou	Jiaojiang Project	Jiaojiang District, Taizhou	79	65	79	40.00%
				5,146	**3,465**	**4,108**	
Yangtze Mid-stream Region	Wuhan	Hejiadun Project	Jianghan District, Wuhan	1,019	972	730	61.00%
		Jiangxia Logistic Project	Jiangxia District, Wuhan	45	–	45	100.00%
		Ocean World	Dongxihu District, Wuhan	398	369	96	100.00%
		Oriental World View	Hanyang District, Wuhan	1,880	1,509	1,880	10.50%
				3,342	2,850	2,751	
	Hefei	Metropolis 1907	Binhu New Area, Hefei	322	242	322	25.00%
	Changsha	Bund No.1	Yuelu District, Changsha	134	95	134	28.45%
		Yajun Project	Wangcheng District, Changsha	422	332	422	10.00%
				556	427	556	
	Nanchang	Sino-Ocean Elite Mansion	Wanli District, Nanchang	106	102	106	20.00%
		Wanli 178 Project	Wanli District, Nanchang	173	122	173	51.00%
				279	224	279	
				4,499	**3,743**	**3,908**	

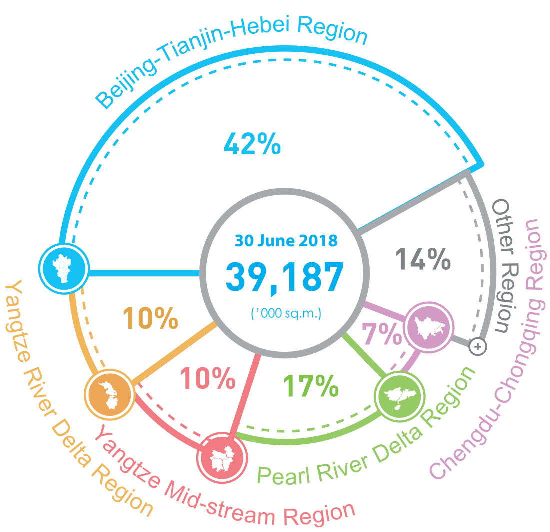
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Pearl River Delta Region	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	1,163	75.00%
		King Realm	Dongsheng Town, Zhongshan	181	134	181	25.00%
		Ocean Aroma	Shiqi District, Zhongshan	141	125	12	51.00%
		Ocean Bloom	Dongfeng Town, Zhongshan	200	189	23	51.00%
		Ocean City	Eastern District, Zhongshan	2,083	1,736	105	100.00%
		Ocean Emerald	Nantou Town, Zhongshan	437	412	125	51.00%
		Ocean Longshire	Henglan Town, Zhongshan	96	85	95	80.00%
		Ocean Magic City	Western District, Zhongshan	170	160	51	51.00%
		Ocean Prospect	Shiqi District, Zhongshan	91	66	85	30.00%
		Sino-Ocean Aristocratic Family	Eastern District, Zhongshan	103	78	103	12.25%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	210	50.00%
		Suixicun 135 Project, Nantou	Nantou Town, Zhongshan	43	33	43	34.00%
		Suixicun 136 Project, Nantou	Nantou Town, Zhongshan	83	62	83	30.00%
		Suixicun 137 Project, Nantou	Nantou Town, Zhongshan	107	102	107	45.00%
		Suixicun 162 Project, Nantou	Nantou Town, Zhongshan	90	68	90	34.00%
		Suixicun 163 Project, Nantou	Nantou Town, Zhongshan	34	26	34	34.00%
		The Place	Shiqi District, Zhongshan	226	148	221	50.00%
		Wuguishan Longtangcun Project	Wuguishan Town, Zhongshan	187	137	187	50.00%
				5,654	4,757	2,918	
	Shenzhen	Lishan Project	Nanshan District, Shenzhen	171	120	67	60.00%
		Long Chuan Tang Project	Nanshan District, Shenzhen	115	52	115	60.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	173	84.70%
		Ocean Metropolis	Longgang District, Shenzhen	390	292	312	85.00%
				1,765	1,183	1,200	
	Guangzhou	Elite Palace	Tianhe District, Guangzhou	310	279	200	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	179	51.00%
		Honoka project in Baiyun District	Baiyun District, Guangzhou	285	198	285	16.66%
				774	564	664	

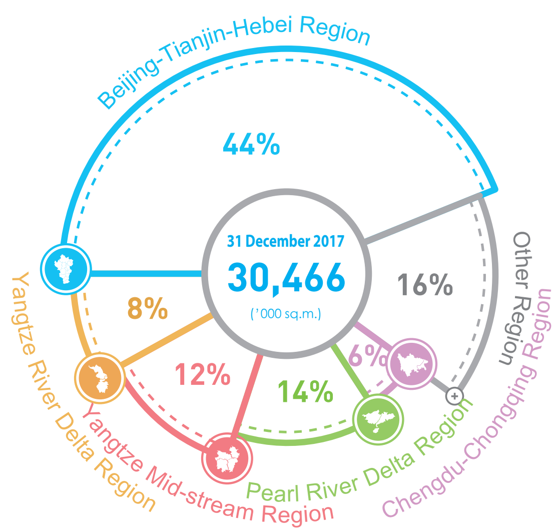
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Foshan	Delight River	Sanshui District, Foshan	207	192	207	50.00%
		Plot 1 Sanshui New City, Sanshui District	Sanshui District, Foshan	285	221	285	49.00%
		Plot 2 Sanshui New City, Sanshui District	Sanshui District, Foshan	259	191	259	51.00%
				751	604	751	
	Hong Kong	LP6	Tseung Kwan O, Hong Kong	137	136	137	40.00%
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	612	45.50%
	Maoming	Elite Palace	Maogang District, Maoming	273	207	273	51.00%
				9,966	**7,944**	**6,555**	
Chengdu-Chongqing Region	Chongqing	Chayuan Project	Chayuan New Area, Chongqing	178	132	178	50.00%
		Chongqing College Town Project	Shazhoubei District, Chongqing	102	71	102	50.00%
		Gaomiao Plot, Jiulongpo District	Jiulongpo District, Chongqing	126	125	126	50.00%
		Gaomiao Project, Phase II, Jiulongpo District	Jiulongpo District, Chongqing	285	213	285	50.00%
		Jiuquhe Plot 2 of Yubei District	Yubei District, Chongqing	335	246	335	37.71%
		Sino-Ocean International Golf Resort	Banan District, Chongqing	592	480	244	42.50%
				1,618	1,267	1,270	
	Chengdu	Jinniu Project	Jinniu District, Chengdu	122	106	122	25.00%
		Longquan Sunshine Town Project	Longquanyi District, Chengdu	320	263	320	50.00%
		Ocean Crown	Qingyang District, Chengdu	99	46	99	60.00%
		Ocean Habitat	Chongzhou City, Chengdu	123	98	123	51.00%
		Qingyang Project	Qingyang District, Chengdu	71	38	71	50.00%
		Sino-Ocean Taikoo Li Chengdu	Jinjiang District, Chengdu	417	362	202	50.00%
		Xipu Project	Pidu District, Chengdu	139	99	139	50.00%
				1,291	1,012	1,076	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Kunming	Chenggong Project	Chenggong District, Kunming	222	218	222	70.00%
		Chenggong Project,Phase II	Chenggong District, Kunming	99	88	99	70.00%
		Kunming Airport Project	Guandu District, Kunming	37	–	37	38.00%
				358	306	358	
				3,267	**2,585**	**2,704**	
Other Region	Dalian	Jinma Project	Jinzhou District, Dalian	77	43	35	10.00%
		Ocean Diamond Bay	Ganjingzi District, Dalian	2,046	1,746	1,165	100.00%
		Ocean Worldview	Jinzhou District, Dalian	1,902	1,645	400	100.00%
		Sino-Ocean Technopole	Jinzhou District, Dalian	922	540	922	100.00%
		The Place of Glory	Ganjingzi District, Dalian	925	875	457	100.00%
		Xiaoyao Bay Project	Jinzhou District, Dalian	219	175	219	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				6,202	5,076	3,309	
	Shenyang	Grand Canal Milestone	Shenhe District, Shenyang	382	257	342	100.00%
		Ocean Paradise	Heping District, Shenyang	713	695	10	100.00%
		Yuqin Biyuan Project	Hunnan District, Shenyang	212	169	212	52.00%
				1,307	1,121	564	
	Changchun	Ocean Cannes Town	Nanguan District, Changchun	831	661	113	100.00%
		Orient Palace	Nanguan District, Changchun	73	60	73	20.00%
				904	721	186	
	Qingdao	Ocean Melody	Huangdao Development Zone,Qingdao	109	107	14	100.00%
		Ocean Seasons	Laoshan District, Qingdao	146	132	18	100.00%
		Xingzhengyuan Project, Jiaozhou	Jiaozhou City, Qingdao	333	269	333	75.00%
				588	508	365	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Sanya	Hongtang Bay Project	Tianya District, Sanya	561	249	561	50.00%
		Ocean Treasure	Jiyang District, Sanya	177	111	77	100.00%
				738	360	638	
	Haikou	Ocean Zen House	Xiuying District, Haikou	117	106	5	100.00%
	Taiyuan	Shengjian Project, Xiaodian District	Xiaodian District, Taiyuan	45	40	45	100.00%
	Zhengzhou	107 Road Project, Longhu Town	Longhu Town, Xinzheng City,Zhengzhou	169	158	169	51.00%
		Lvbo Plot 113	Zhongmu County, Zhengzhou	43	38	43	69.30%
		Yongzhixing Cold Chain Logistics Project	Airport Economic Zone, Zhengzhou	172	–	172	100.00%
				384	196	384	
	Xiamen	Plot 2017XP02, Xiang'an District	Xiang'an District, Xiamen	52	35	52	50.00%
		Plot 2017XP03, Xiang'an District	Xiang'an District, Xiamen	75	49	75	50.00%
				127	84	127	
				10,412	**8,212**	**5,623**	
Total				**54,131**	**41,739**	**39,187**	

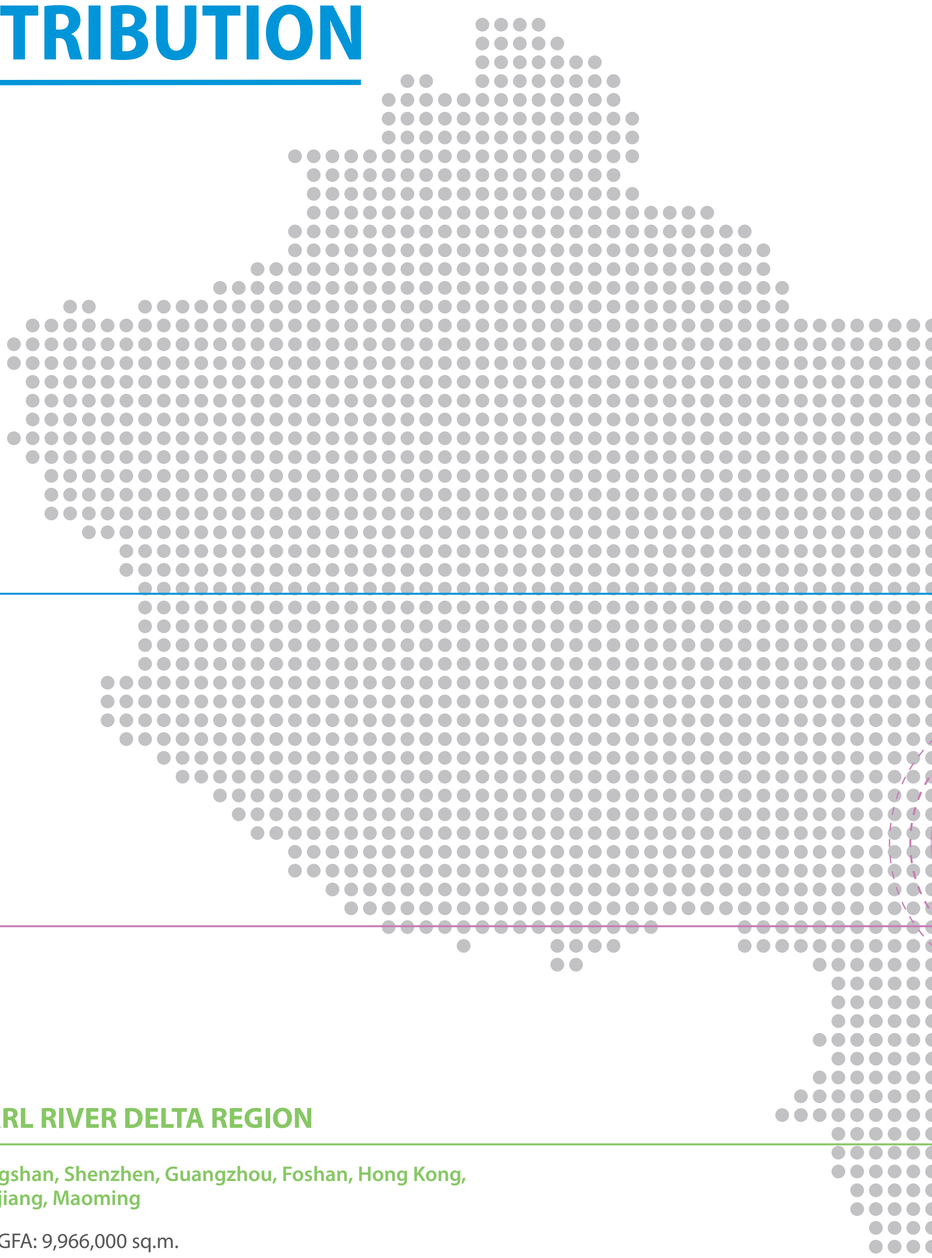
The landbank by geographical locations as at 30 June 2018 and 31 December 2017 are analyzed below:





Beijing-Tianjin-Hebei Region | Yangtze River Delta Region | Pearl River Delta Region
Yangtze Mid-stream Region | Chengdu-Chongqing Region | Other Region

LANDBANK DISTRIBUTION



Sino-Ocean Group as a Nationwide Corporation, with Landbank Coverage Extended to 37 Cities all Over The PRC.

BEIJING-TIANJIN-HEBEI REGION

Beijing, Tianjin, Shijiazhuang, Langfang, Zhangjiakou

Total GFA: 20,841,000 sq.m.
Total landbank: 16,289,000 sq.m.

No. of projects: **54**

CHENGDU-CHONGQING REGION

Chengdu, Chongqing, Kunming

Total GFA: 3,267,000 sq.m.
Total landbank: 2,704,000 sq.m.

No. of projects: **16**

PEARL RIVER DELTA REGION

Zhongshan, Shenzhen, Guangzhou, Foshan, Hong Kong, Zhanjiang, Maoming

Total GFA: 9,966,000 sq.m.
Total landbank: 6,555,000 sq.m.

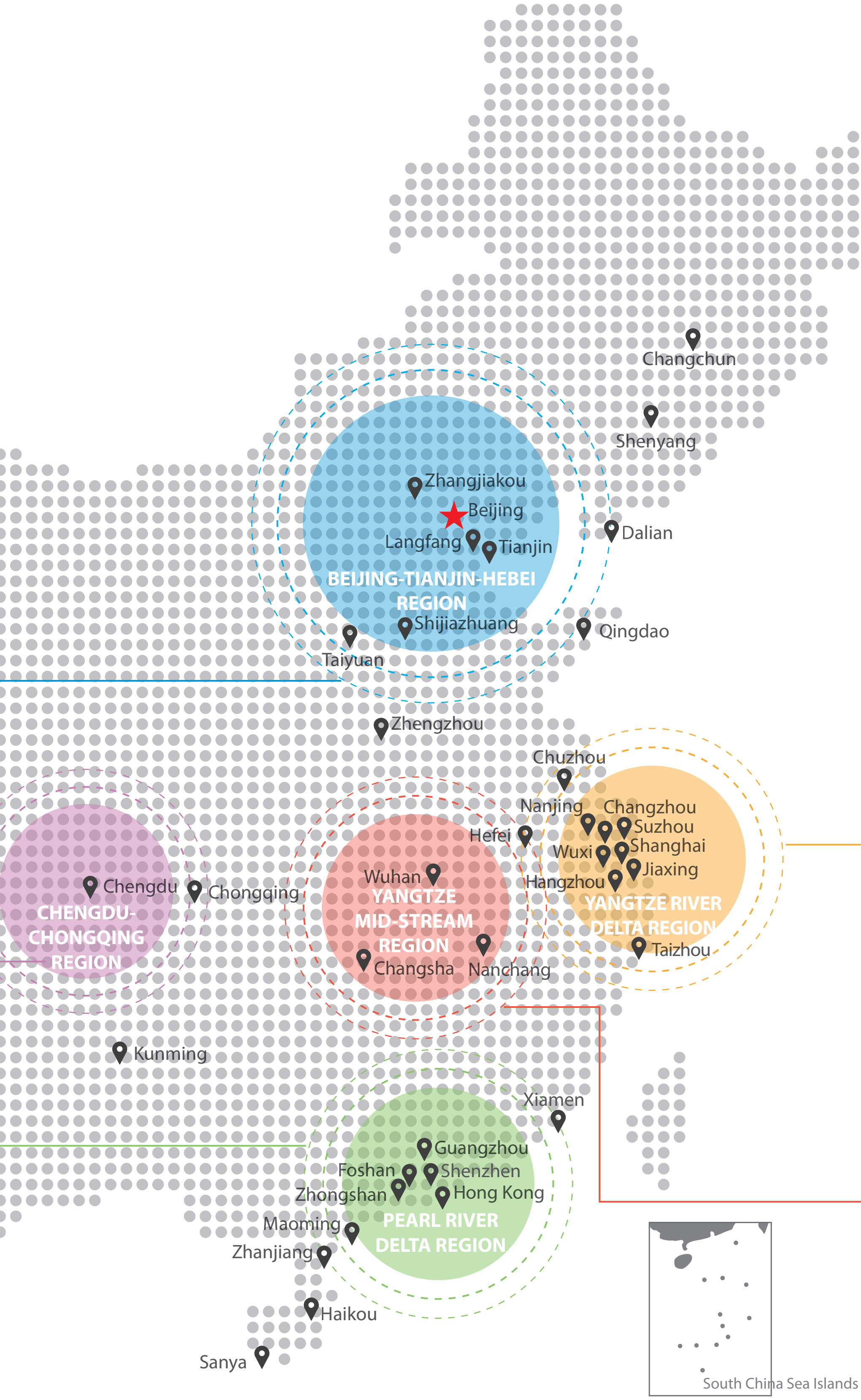
No. of projects: **32**

OTHER REGION

Dalian, Shenyang, Changchun, Qingdao, Sanya, Haikou, Taiyuan, Zhengzhou, Xiamen

Total GFA: 10,412,000 sq.m.
Total landbank: 5,623,000 sq.m.

No. of projects: **24**



YANGTZE RIVER DELTA REGION

Shanghai, Hangzhou, Nanjing, Suzhou, Wuxi, Jiaxing, Chuzhou, Changzhou, Taizhou

Total GFA: 5,146,000 sq.m.
Total landbank: 4,108,000 sq.m.

No. of projects: **34**

YANGTZE MID-STREAM REGION

Wuhan, Hefei, Changsha, Nanchang

Total GFA: 4,499,000 sq.m.
Total landbank: 3,908,000 sq.m.

No. of projects: **9**

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 2018, revenue from property investment increased by 15% to RMB542 million (first half of 2017: RMB473 million). As at 30 June 2018, the Group held 19 operating investment properties, in which the majority were office units. Our investment properties are mainly A-grade office premises, shopping malls and commercial complex at good location with a total leasable area of approximately 1,157,000 sq.m.

List of our investment properties as at 30 June 2018 is set out as follows:

	District	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate as at 30 June 2018 (%)	Interest attributable to the Group (%)
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	4,000	99%	72%
Ocean International Center (Beijing)	Chaoyang District, Beijing	94,000	70,000	7,000	17,000	97%	100%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	107,000	81,000	12,000	14,000	93%	100%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	97%	100%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	41,000	–	41,000	–	97%	100%
Grand Canal Plaza (Hangzhou)	Gongshu District, Hangzhou	67,000	–	67,000	–	87%	100%
North Carolina Project (USA)	Durham, North Carolina	12,000	12,000	–	–	91%	70%
San Francisco Project (USA)	Financial District, San Francisco	6,000	6,000	–	–	90%	100%
Other Projects		90,000	16,000	59,000	15,000		
Subtotal		478,000	211,000	217,000	50,000		
Other							
INDIGO (Beijing)	Chaoyang District, Beijing	225,000	52,000	48,000	125,000	100%	50%
Ocean International Center, Phase II(Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	11,000	95%	35%
Diamond Plaza (Beijing)	Haidian District, Beijing	22,000	20,000	–	2,000	100%	50%
Silicon Valley Bright Center, Building #4 (Beijing)	Haidian District, Beijing	9,000	8,000	1,000	–	99%	50%
Bailibao Plaza (Shenyang)	Heping District, Shenyang	56,000	–	56,000	–	80%	50%
Amazing City (Shanghai)	Yangpu District, Shanghai	17,000	17,000	–	–	33%	49%
Daning International Plaza (Shanghai)	Jinjiang District, Shanghai	38,000	38,000	–	–	81%	50%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	62,000	46,000	4,000	12,000	91%	15%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	4,000	59%	50%
Huamin Empire Plaza (Chengdu)	Jinjiang District, Chengdu	51,000	47,000	2,000	2,000	54%	50%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	Jinjiang District, Chengdu	115,000	–	84,000	31,000	96%	50%
Subtotal		679,000	284,000	208,000	187,000		
Total		**1,157,000**	**495,000**	**425,000**	**237,000**		

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-end shopping centers, five-star hotels and high quality serviced apartments.

As at 30 June 2018, revenue from property investment amounted to RMB542 million. The Group currently has 19 operating investment properties. In the first half of 2018, we newly acquired one investment properties in Shanghai, which added to our list of high-end and well-developed office premise portfolio.

We now have approximately 1,157,000 sq.m. of commercial real estate resources in operation, with office developments, commercial complexes and car parks accounting for about 43% and 57% respectively. In addition, we have commercial property resources pending for development and operation by stages between 2018 and 2022. These include offices in Bejing CBD, shopping centers in Bejing Tongzhou district and other high-end commercial complexes. The commercial property brand of Sino-Ocean will boost a strong portfolio of cross-regional and diversified products which will provide a sound foundation for favourable investment yield and profitability level in the future.

Property management

For the six months ended 30 June 2018, the Group's revenue from the provision of property management services amounted to RMB594 million, representing a 31% increase as compared to RMB452 million for the corresponding period in 2017, mainly because of the improvement in operating ability and synergy with major development business. The property management service has reached 28 cities in the PRC.

A total area under management of approximately 50 million sq.m. (first half of 2017: approximately 32 million sq.m.) was covered by the Group's property management services.

OTHER INFORMATION

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

In first half of 2018, 36% 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 potential trend of depreciation, the Group is adjusting its proportion of borrowings in foreign currencies and has entered into certain forward contracts so as to hedge against the exchange loss in future years. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose.

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

Employees and Human Resources

As at 30 June 2018, the Group had 11,453 employees (31 December 2017: 10,081) In order to support the diversification of the Group's business function, the Group speeds up the talent introduction in the first half of 2018, the Group will continue to strengthen manpower effectiveness and control capability.

For the first half of 2018, taking into account the amortization of share options, the level of our overall staff cost was maintained at about RMB1,050 million (first half of 2017: RMB743 million). We believe the share option scheme implemented in previous years will provide long-term incentive and rewards to our staff.

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

INVESTOR RELATIONS

Our Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders. Our goals are to deepen investors' understanding and approval of the Group's strategies, to raise the quality of internal management and to maximize the Group's value.

Promoting corporate value through active communication

In the first half of 2018, control policies on the real estate market continued along the themes of 'properties for accommodation not speculation' and 'differentiating controls'. A new wave of macro measures was rolled out in key cities and the increase in housing prices was effectively regulated. At the same time, credits continued to tighten, differentiation of the industry became more apparent and consolidation heightened.

In light of the changing economic environment and industry, we responded swiftly by maintaining continuous communication with our investors. We emphasized to investors our directives of 'focusing on expanding residential property and achieving synergy with other businesses'. The Group scored historic break-through in the residential development business while other businesses also achieved independent, rapid and solid progress, as well as contributing synergy with the residential development business. And such strategy won approval of investors. In the next six months, the Group will continue to accelerate growth through 'striving for progress', the theme of the year.

In the first half of 2018, we made proactive communication with analysts and investors through results announcements and road shows. We also arranged small group meetings between management and investors. These meetings were highly effective and enjoyed very positive feedback. They served to reinforce understanding and trust between the Group and the capital market. Furthermore, the Group continued to generate opportunities to interact with analysts and investors individually. On the one hand, we attended investors' conferences and communicated constantly. In the first half of 2018, we attended conferences in Beijing, Shanghai, Shenzhen and Hong Kong organized by 11 securities firms. We also conducted in-depth one-on-one discussions with over 200 institutional and individual investors. On the other hand, in view of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, we actively explored new channels of communication with over 50 funds and securities firms in mainland China. We also hosted more than 120 stakeholders at some 40 project site visits, enabling them to better understand the latest developments in the Group's various business segments.

Through these events and discussions, we were able to foster a deeper understanding and appreciation of the Group's progress, business policies and strategic development among fund managers, institutional and individual investors, analysts and other interested parties. Meanwhile our management also gained better knowledge of the expectations and demands of the capital market on the Group. We will seriously consider and put into practice all constructive suggestions.

Ensuring highly transparent, fair and open disclosure

In the first half of 2018, we maintained our high standards of information disclosure to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published our monthly unaudited operating statistics on the HKEX website and shared information on the Group's latest developments via investors groups to boost transparency and to ensure proper and fair access to relevant data for all parties in the capital market.

In the first half of 2018, with new coverage of two offshore and one domestic securities firms, we enjoyed aggregate coverage from 26 securities firms, including JPMorgan, Credit Suisse, Goldman Sachs, Morgan Stanley, Citi, China International Capital Corporation, BOCI, Nomura, DBS, Macquarie, Mizuho and Deutsche Bank, the majority of which rated Sino-Ocean Group as 'out-performed the market', 'buy' or 'hold'.

Listening attentively with a receptive attitude

We listened carefully to our shareholders' concerns and addressed them efficiently. In May 2018, the Group held the Annual General Meeting attended by over 200 shareholders and stakeholders. As always, after each meeting management representatives reserved time for individual shareholders to voice their opinions and concerns, ensuring all parties present were given opportunity to discuss the key issues with our representatives.

We will continue our efforts to gain more coverage and obtain more recommendations from securities firms, with the goal of promoting investors' approval, confidence and loyalty, as well as protecting their interests. We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at ir@sinooceangroup.com. We promise to provide answers to the extent permitted by applicable laws, regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

1H18 Investor relations activities

January

BNP Paribas Asia Pacific Financials & Property Conference

UBS Greater China Conference 2018

dbAccess China Conference 2018

Nomura China Property Corporate Day 2018

March

2017 Annual results and post-results roadshows

April

UBS HK/China Property Conference 2018

Industrial Securities Strategy Meeting 2018

May

J.P. Morgan Global China Summit 2018

HSBC 5th Annual China Conference

June

Haitong Securities Shanghai and Beijing Roadshow

CGS-CIMB HK/China Property Corporate Day 2018

HSBC 2nd Annual Asia Credit Conference

China Securities Strategy Meeting

Credit Suisse 2018 China/ Hong Kong Property Corporate Day

Citi's Asia Pacific Property Conference

SUSTAINABILITY REPORT

05

Since the proposition of "healthy building" as our business principle in 2016, the product positioning of Sino-Ocean Group has been upgraded from the fulfillment of demand for property values, comprising residential values and economic values, to the fulfillment of demand for life values comprising environmental values and social values.

In its future development, Sino-Ocean Group will continue with its effort to achieve harmony, health and sustainable development for the people, buildings and environment by further exploring the concepts of green building and healthy building in response to the call of national policies, requirements in the development of the sector and customers' upgrade demands in adherence with the principle of "healthy building".

HEALTHY IMAGE: HONOURS AND RECOGNITIONS

In June 2018, the "Healthy Bloom Together For Value — Sustainable Development Report 2017 of Sino-Ocean Group" was published as the Group's first full disclosure of its environmental data in accordance with the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange. The report was given a "5-star" (Excellent) rating by the "Specialist Committee for the Rating of CSR Reports in China", being the third "5-star" rating in a row received by Sino-Ocean Group for its responsibility reports.

During the same period, Sino-Ocean Group was also named a "Model of Healthy Building Operations in China 2018", "TOP10 Green Real Estate Developers in China 2018" and "TOP10 Green Real Estate Developers (Commercial) in China" by third-party green accreditation and appraisal agencies on the back of its long-term involvement in green building and outstanding performance in healthy building.

HEALTHY PRODUCTS: BUILDING CONSENSUS

At present, the traditional construction industry is undergoing transformation to towards a higher level of "eco-friendliness, efficiency, quality and speed". Sino-Ocean Group has continued to promote the concept of "healthy building" internally to imprint a "healthy" label on its products and services and facilitate implementation of healthy building through practices in relevant aspects from investment, design, materials, construction, property management to team-building.

Thanks to the relentless effort of Sino-Ocean's team, "Sino-Ocean Healthy Building Regime 1.0" was announced as healthy building regime for Chinese people developed by Sino-Ocean Group. It was a complete healthy landscape system tailored to the characteristics of China formed by the intelligent 4S+W system, 5H healthy human residential scenery system and W.E.R. healthy furbishment system. As a systematic, adaptive and comprehensive regime, it covers aspects such as park and zone planning, standalone buildings, interior design and health culture.

The people at Sino-Ocean are characterised by an unwavering persistence in "healthy building". With the dawn of a great new age and ongoing innovations in the idea of human accommodation in China, Sino-Ocean is sure to extend its footprint to developments featuring more diversified interactions between nature and people where "health" will serve a hub for the perfect integration of nature, building and people, adding colours to the spirit of the new age with its unique craftsmanship.

HEALTHY RETIREMENT: CREATIVE NEW VENTURES

In firm adherence to the principle of specialisation in line with advanced international standards, Sino-Ocean's elderly care service is committed to providing senior citizens in China with multi-tier services covering their full life cycle. Sino-Ocean Senior Living L'Amore, our high-end elderly care brand which competes primarily on its "service", has worked actively to explore and integrate internal as well as external resources in its investigation of opportunities to cooperate with trust funds and other entities in the retirement finance business, in a bid to contribute to China's healthy elderly care business. Our commitment to enhancing the quality of retirement in China in a comprehensive manner has constructively cemented our leading position in China's retirement industry by various measures, as we continue to work incessantly for the improvement of retirement life in China.

In 2018, Senior Living L'Amore introduced 4 new products: "the retirement care cooperation trust, the 椿萱蕙 membership platform, 椿萱悦 Care Home, and the WELL healthy building standards for elderly care". Catered to the needs of senior citizens in China, we have ushered in a new era in elderly care services in China in retirement financial services, membership services, all-age product services, and retirement big health services. These included the joint venture between Sino-Ocean's elderly care service and a leading financial institution to launch the retirement care cooperation trust scheme in a joint investigation of the "business + finance integration" model for the retirement care business in response to the enormous demand for elderly care services amidst the aging population.

HEALTH IN CULTURE: A COMMON HERITAGE

With the affirmation and promotion of the principle of "healthy building", we have been increasingly focused on the fostering of cultural health and an artistic atmosphere conducive to the idea of health and the passing on of relevant knowledge and concepts in advocacy for a joyful approach to work.

The Sino-Ocean Trade Union launched a series of spectacular activities to enhance cultural experience. Entitled "Sino-Ocean's Chinese Culture Odyssey", the programme was unveiled at Sino-Ocean's Arts Centre as the annual themed campaign of the Sino-Ocean Trade Union in June 2018.

Sino-Ocean staff joining the activity enjoyed a close encounter with sculpture, painting, vintage paper-making, magic, aquilaria, jade carving and guqin through a number of arts and culture workshops at the Sino-Ocean Arts Centre, listening to artists' briefings and immersing themselves in different artistic explorations.

Over the past 25 years, Sino-Ocean has developed a special tie with and unique appreciation for arts and culture. As Mr. Li Ming, President of Sino-Ocean Group, puts it: "There is life in art, and the meaning of life is to be found in the process of realising one's aspirations." At Sino-Ocean, we aspire to integrate Chinese culture and arts into our development and products.

HEALTHY PARTNERSHIPS: SHARED CRAFTSMANSHIP

In January 2018, the 2018 Sino-Ocean Group Suppliers' Conference entitled "Partnership in Healthy Building Craftsmanship for the Future" was concluded with success in Beijing. Delegates of over 200 suppliers from different regions in China joined Sino-Ocean personnel to embark on a new journey in 2018. The conference featured senior management members of Sino-Ocean Group presented the "2017 Sino-Ocean Group Outstanding Supplier Award" to 17 suppliers and the "2017 Sino-Ocean Group Best Partner Award" to 28 suppliers. Furthermore, Sino-Ocean's sharing on public welfare under the topic of "Partnership in Public Welfare and Healthy Building" provided attending suppliers and partners with a glimpse of the rich essence of outreaching corporate health, calling for all parties to work together for the realisation of sustainable development.

HEALTHY GROWTH: AID AND SUPPORT

Over the years, Sino-Ocean Group has concerned itself with and offered support to the development of children in impoverished regions. The initiative to support children's growth has been implemented primarily through mainly Sino-Ocean Charity Foundation in a joint effort with stakeholders. Underpinned by the Sino-Ocean philosophy of "micro-charity, co-participation and sustainability" for public welfare and charity, Sino-Ocean Charity Foundation launched an upgraded version of the "Young Companionship Growth Scheme" on the occasion of its 10th anniversary to offer charity aid with more emphasis on three major aspects: education assistance, cultivation of abilities, and physical and emotional health. In addition to provision for daily needs, we will enhance our focus on the physical and emotional health of children. Sino-Ocean's charity platform will bring together more positive forces to support the healthy growth of underprivileged children, so that the society will genuinely benefit from health and public welfare.

HEALTHY COMMUNITY: PARTICIPATION AND ENGAGEMENT

We are actively involved in community-building, and also help local communities to foster a culture for health, enhance quality of living for the residents and encourage their involvement in charity.

In April 2018, the opening ceremony of the second edition of "Sino-Ocean Charity Run" city relay organised by Sino-Ocean Group in association with Sino-Ocean Charity Foundation was held in Beijing. The charity run started off simultaneously in 35 cities where Sino-Ocean's property developments were located, with a total enrolment of close to 8,000 runners. The participants, including Sino-Ocean employees, property owners, business partners and members of the media, did some enthusiastic running as they enjoyed a feast of health-enhancing activities while contributing to charity while doing so. The activity was organised to sponsor the "Young Companionship Growth Scheme" of Sino-Ocean Charity Foundation, providing a platform for generating public welfare resources and inviting more partners to join in charity.

DISCLOSURE OF INTERESTS

06

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

As at 30 June 2018, 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	1.680%
	Beneficiary of trust	13,125,180 (note iv)	–	–	13,125,180	0.172%
	Beneficial owner	18,387,000	6,540,000	1,789,020	26,716,020	0.351%
Mr. LI Hu (note v)	Beneficial owner	224,500	500,000	280,500	1,005,000	0.013%
Mr. WEN Haicheng	Beneficial owner	1,813,489	5,240,000	548,220	7,601,709	0.100%
Mr. SUM Pui Ying	Beneficial owner	3,000,560	5,800,000	555,940	9,356,500	0.123%
Mr. LI Hongbo (note v)	Beneficial owner	6,864	3,410,000	144,700	3,561,564	0.047%
Mr. ZHAO Lijun	Beneficial owner	24,000	500,000	36,000	560,000	0.007%
Mr. FANG Jun	Beneficial owner	168,500	850,000	49,500	1,068,000	0.014%
Mr. YAO Dafeng (note v)	Beneficial owner	75,000	500,000	45,000	620,000	0.008%
Ms. SHANGGUAN Qing (note v)	Beneficial owner	75,000	500,000	45,000	620,000	0.008%
Mr. HAN Xiaojing	Beneficial owner	410,500	850,000	49,500	1,310,000	0.017%
Mr. SUEN Man Tak	Beneficial owner	70,500	500,000	49,500	620,000	0.008%
Mr. WANG Zhifeng	Beneficial owner	70,500	500,000	49,500	620,000	0.008%
Mr. JIN Qingjun	Beneficial owner	70,500	500,000	49,500	620,000	0.008%
Ms. LAM Sin Lai Judy	Beneficial owner	–	500,000	–	500,000	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 13,125,180 shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

(v) Each of Mr. LI Hu, Mr. LI Hongbo, Mr. YAO Dafeng and Ms. SHANGGUAN Qing resigned as a director of the Company with effect from 10 August 2018.

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	–	0.886%
Mr. WEN Haicheng	Gemini Investments (Holdings) Limited	Beneficial owner	–	–	–	–	70,000	0.016%
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	–	3.545%
Mr. LI Hongbo (note)	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: Mr. LI Hongbo resigned as a director of the Company with effect from 10 August 2018.

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

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

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 2018 was the Company or any of its subsidiaries a party to any arrangement that would enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or any of their spouses or children under the age of 18 were granted any right to subscribe for 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 2018, the Company had been notified of the following substantial shareholders' interests and short positions in the shares of the Company, being interests of 5% or more, in addition to those disclosed above in respect of the directors and the chief executives of the Company:

Name of shareholders	Capacity	Long/short position	No. of ordinary shares held	Percentage in the Company's issued share capital
China Life Insurance (Group) Company (note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Anbang Insurance Group Co., Ltd. (note ii)	Interest of controlled corporation	Long	2,252,646,115	29.58%
Anbang Asset Management (Hong Kong) Co. Limited (note iii)	Investment Manager	Long	2,252,646,115	29.58%

Notes:

(i) The 2,253,459,151 shares were registered in the name of, and beneficially owned by, China Life Insurance Company Limited. China Life 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 2018, 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.

07

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

A share option scheme of the Company (the "2007 Share Option Scheme"), which was approved by the shareholders' written resolutions dated 3 September 2007, is valid and effective for a period of 10 years until 27 September 2017, unless it is terminated early in accordance with the provisions of the 2007 Share Option Scheme. Although the 2007 Share Option Scheme has expired, the share options already granted under such scheme before its expiration remain valid. Under the 2007 Share Option Scheme, the Board may grant share options to eligible employees and directors of the Group. As set out in the prospectus of the Company dated 14 September 2007 (the "Prospectus"), the purpose of the 2007 Share Option Scheme is to provide an incentive for employees of the 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 the Group for their contribution based on their individual performance and that of the Company. The share options granted under the 2007 Share Option Scheme are exercisable within five years period in which 40% of share options become exercisable after one year from the offer date, 70% of share options become exercisable after two years from the offer date, and all share options become exercisable after three years from the offer date. All of the share options granted and outstanding as at 30 June 2018 are governed by the terms of the 2007 Share Option Scheme as stated herein and further detailed in the Prospectus.

During the six months ended 30 June 2018, no share option was granted and cancelled. Details of movements of share options granted to the directors, chief executives and employees of the Group under the 2007 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 2018	No. of share options exercised during the period (note i)	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2018
Directors						
Mr. LI Ming	27 Aug 2015	4.04	1,800,000	(1,260,000)	–	540,000
	13 Apr 2016	3.80	20,000,000	(14,000,000)	–	6,000,000
Mr. LI Hu (note ii)	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. WEN Haicheng	27 Aug 2015	4.04	800,000	(560,000)	–	240,000
	13 Apr 2016	3.80	5,000,000	(2,000,000)	–	3,000,000
	24 Aug 2017	4.70	2,000,000	–	–	2,000,000
Mr. SUM Pui Ying	27 Aug 2015	4.04	800,000	–	–	800,000
	13 Apr 2016	3.80	5,000,000	–	–	5,000,000

	Date of share option granted	Exercise price per share (HKD)	No. of share options outstanding as at 1 January 2018	No. of share options exercised during the period (note i)	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2018
Mr. LI Hongbo (note ii)	27 Aug 2015	4.04	700,000	(490,000)	–	210,000
	13 Apr 2016	3.80	4,000,000	(2,800,000)	–	1,200,000
	24 Aug 2017	4.70	2,000,000	–	–	2,000,000
Mr. ZHAO Lijun	24 Aug 2017	4.70	500,000	–	–	500,000
Mr. FANG Jun	27 Aug 2015	4.04	350,000	–	–	350,000
	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. YAO Dafeng (note ii)	13 Apr 2016	3.80	500,000	–	–	500,000
Ms. SHANGGUAN Qing (note ii)	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. HAN Xiaojing	27 Aug 2015	4.04	350,000	–	–	350,000
	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. SUEN Man Tak	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. WANG Zhifeng	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. JIN Qingjun	13 Apr 2016	3.80	500,000	–	–	500,000
Ms. LAM Sin Lai Judy	24 Aug 2017	4.70	500,000	–	–	500,000
Mr. WANG Yeyi (retired on 18 May 2018)	13 Apr 2016	3.80	500,000	–	(500,000)	–
Mr. TSANG Hing Lun (ceased on 4 June 2017)	27 Aug 2015	4.04	140,000	–	(140,000)	–
	13 Apr 2016	3.80	200,000	–	(200,000)	–
Subtotal			**48,640,000**	**(21,110,000)**	**(840,000)**	**26,690,000**
Employees	27 Aug 2015	4.04	39,681,500	(7,006,000)	(655,000)	32,020,500
	13 Apr 2016	3.80	107,869,500	(22,561,000)	(2,710,000)	82,598,500
	24 Aug 2017	4.70	47,200,000	–	(2,100,000)	45,100,000
Subtotal			**194,751,000**	**(29,567,000)**	**(5,465,000)**	**159,719,000**
Total			**243,391,000**	**(50,677,000)**	**(6,305,000)**	**186,409,000**

Note:

(i) During the period ended 30 June 2018, 50,677,000 share options were exercised and the weighted average closing price of the shares of the Company immediately before the dates of exercise was HKD5.7861 per share.

(ii) Each of Mr. LI Hu, Mr. LI Hongbo, Mr. YAO Dafeng and Ms. SHANGGUAN Qing resigned as a director of the Company with effect from 10 August 2018.

RESTRICTED SHARE AWARD SCHEME

The restricted share award scheme (the "Award Scheme") was adopted by the Board on 22 March 2010 (the "Adoption Date") as an incentive to retain and encourage the employees for the continual operation and development of the Group. Unless early terminated by the Board, the Award Scheme shall continue in full force and effect from the Adoption Date for a term of 10 years. According to the Award Scheme, the maximum number of shares to be awarded under the Award Scheme is 169,104,822 shares, representing 3% of the issued shares of the Company as at the Adoption Date. The restricted shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The shares awarded to the directors and employees of the Group at no consideration will be vested in three years in which 40% of awarded shares will be vested after one year from the date of award and 7.5% of awarded shares will be vested quarterly thereafter.

During the period under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, had acquired 13,958,725 shares of the Company at an aggregate consideration of approximately RMB61,608,400 (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 below:

	Awarded Shares				
Date of award	**Balance as at 1 January 2018**	**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 2018**
18 March 2015	1,307,138	–	(1,305,211)	(1,927)	–
25 March 2016	4,735,788	–	(1,945,016)	(66,932)	2,723,840
31 March 2017	10,830,000	–	(4,133,000)	(520,000)	6,177,000
Total	**16,872,926**	–	**(7,383,227)**	**(588,859)**	**8,900,840**

Note: Pursuant to the Award Scheme, 588,859 awarded shares lapsed upon the resignation of awardees.

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 2018 has been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 54.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive directors and one non-executive director of the Company, namely Ms. LAM Sin Lai Judy, Mr. ZHAO Lijun, Mr. SUEN Man Tak and Mr. JIN Qingjun.

The audit committee has reviewed and has no disagreement with the accounting principles and practices adopted by the Group. The audit committee has reviewed the interim report for the six months ended 30 June 2018.

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 2018, 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.

Code provision A.1.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the six months ended 30 June 2018, the Board approved a connected transaction (the "Transaction") for which a substantial shareholder of the Company and certain directors who were nominated by such substantial shareholder of the Company were regarded as having material interests therein by written resolutions passed by all directors of the Company (except those who abstained from passing the written resolutions) in writing in lieu of a physical board meeting in accordance with the articles of association of the Company. It is considered that the adoption of written resolutions in lieu of a physical board meeting allowed the Board to make a decision in relation to the Transaction more efficiently in view of time constraints. Prior to the execution of the written resolutions, board papers regarding the Transaction were provided to all directors of the Company in advance for their review and consideration, and all directors of the Company had declared his/her interest in the matters (if any) in accordance with the articles of association of the Company and applicable laws. The directors who had material interests in the Transaction abstained from passing the written resolutions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Group has adopted a code of conduct regarding directors' securities transactions (the "Code of Conduct") on 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 2018.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2018, 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 2018 is presented as follows:

	RMB million
Non-current assets	16,667
Current assets	65,884
Current liabilities	36,346
Non-current liabilities	39,918
Net assets	**6,287**

The Group's attributable interest in the affiliated companies as at 30 June 2018 amounted to RMB2,966 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 2018.

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. WANG Yeyi retired as an executive director and a member of the investment committee of the Company with effect from 18 May 2018.

Mr. FU Fei has been appointed as a non-executive director of the Company with effect from 19 May 2018.

Ms. LI Liling has been appointed as a non-executive director of the Company with effect from 10 August 2018.

Mr. LI Hu resigned as an executive director and a member of the investment committee of the Company with effect from 10 August 2018.

Mr. LI Hongbo resigned as an executive director and a member of the investment committee of the Company with effect from 10 August 2018.

Mr. YAO Dafeng resigned as a non-executive director and a member of the audit committee of the Company with effect from 10 August 2018.

Ms. SHANGGUAN Qing resigned as a non-executive director of the Company with effect from 10 August 2018.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of HKD0.140 per share (2017: HKD0.167 per share) to shareholders whose names appear on the Company's register of members at the close of business on Monday, 10 September 2018. 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, 5 October 2018.

The register of members of the Company will be closed from Thursday, 6 September 2018 to Monday, 10 September 2018, 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 Wednesday, 5 September 2018.

EVENTS AFTER THE BALANCE SHEET DATE

On 6 August 2018, the shareholders of the Company approved the adoption of a new share option scheme (the "2018 Share Option Scheme"), which is valid and effective for a period of 10 years until 5 August 2028, unless it is terminated early in accordance with the provisions of the 2018 Share Option Scheme. As at the date of this interim report, no share option has been granted under the 2018 Share Option Scheme. Details of the 2018 Share Option Scheme are set out in the circular of the Company dated 16 July 2018.

On 18 July 2018, the approval document Zheng Jian Xu Ke [2018] No. 1116 dated 13 July 2018 (the "Approval") was received from China Securities Regulatory Commission approving the proposed issuance of corporate bonds (the "Corporate Bonds") of not more than RMB2 billion by Sino-Ocean Land Limited (now known as Sino-Ocean Holding Group (China) Limited) (the "Issuer"), an indirect wholly-owned subsidiary of the Company incorporated in the People's Republic of China. Details of the Approval are set out in the announcement of the Company dated 18 July 2018.

On 26 July 2018, the Issuer and the underwriters, through the result of a book-building process, determined that the Corporate Bonds shall be issued on 27 July 2018 in RMB2 billion 4.70% Corporate Bonds of a five-year term, under which after the end of the third year, the Issuer shall be entitled to adjust the coupon rate and the bondholders shall be entitled to sell the bonds back to the Issuer. The Issuer intends to apply the net proceeds from the issue of the Corporate Bonds for repayment of existing indebtedness. Details of the issue of the Corporate Bonds are set out in the announcement of the Company dated 27 July 2018.

In July 2018, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company, issued floating rate guaranteed notes (the "Notes") with principal amount of USD700,000,000 due in 2021. The Notes bear interest at a rate equal to three-month USD London Interbank Offered Rate plus 230 bps. The Notes are unsecured and guaranteed by the Company. The Group intends to use the net proceeds from the issue of the Notes to primarily repay existing indebtedness of the Group in accordance with applicable laws and regulations. Details of the issue of the Notes are set out in the announcements of the Company dated 23 July 2018, 24 July 2018 and 31 July 2018.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. LI Ming *(Chairman)*
Mr. LI Hu (resigned on 10 August 2018)
Mr. WANG Yeyi (retired on 18 May 2018)
Mr. WEN Haicheng
Mr. SUM Pui Ying
Mr. LI Hongbo (resigned on 10 August 2018)

Non-executive Directors

Mr. ZHAO Lijun
Mr. FU Fei (appointed on 19 May 2018)
Mr. FANG Jun
Ms. LI Liling (appointed on 10 August 2018)
Mr. YAO Dafeng (resigned on 10 August 2018)
Ms. SHANGGUAN Qing (resigned on 10 August 2018)

Independent Non-executive Directors

Mr. HAN Xiaojing
Mr. SUEN Man Tak
Mr. WANG Zhifeng
Mr. JIN Qingjun
Ms. LAM Sin Lai Judy

AUDIT COMMITTEE

Ms. LAM Sin Lai Judy
Mr. ZHAO Lijun
Mr. YAO Dafeng (resigned on 10 August 2018)
Mr. SUEN Man Tak
Mr. JIN Qingjun

NOMINATION COMMITTEE

Mr. LI Ming
Mr. HAN Xiaojing
Mr. SUEN Man Tak
Mr. WANG Zhifeng

REMUNERATION COMMITTEE

Mr. HAN Xiaojing
Mr. SUEN Man Tak
Mr. WANG Zhifeng

INVESTMENT COMMITTEE

Mr. LI Ming
Mr. LI Hu (resigned on 10 August 2018)
Mr. WANG Yeyi (retired on 18 May 2018)
Mr. LI Hongbo (resigned on 10 August 2018)
Mr. FANG Jun
Mr. JIN Qingjun
Ms. LAM Sin Lai Judy

COMPANY SECRETARY

Ms. LAI Yin Ping (appointed on 26 May 2018)
Mr. CHUNG Kai Cheong (resigned on 26 May 2018)

AUTHORIZED REPRESENTATIVES

Mr. LI Ming
Ms. LAI Yin Ping (appointed on 26 May 2018)
Mr. CHUNG Kai Cheong (resigned on 26 May 2018)

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
China Bohai Bank Co., Ltd.
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Everbright Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
China Merchants Bank Co., Ltd.
China Zheshang Bank Co., Ltd.
DBS Bank (Hong Kong) Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Ping An Bank 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
Certified Public Accountants

LEGAL ADVISOR

Paul Hastings

SHARE REGISTRAR

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

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 03377.HK

COMPANY WEBSITE

www.sinooceangroup.com

INVESTOR RELATIONS CONTACT

ir@sinooceangroup.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 55 to 100, 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 2018 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 August 2018

Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	**2,065,535**	1,261,388
Land use rights	8	**52,044**	59,535
Intangible assets	9	**439,668**	–
Investment properties	10	**19,035,511**	17,279,920
Goodwill		**481,675**	99,168
Investments in joint ventures		**17,681,510**	14,720,119
Investments in associates		**5,211,507**	4,562,962
Financial assets at fair value through other comprehensive income	11	**657,165**	–
Financial assets at fair value through profit or loss		**3,168,221**	–
Available-for-sale financial assets	4	**–**	3,708,978
Trade and other receivables and prepayments	12	**17,330,606**	8,985,682
Deferred income tax assets		**1,414,381**	979,095
Total non-current assets		**67,537,823**	51,656,847
Current assets			
Deposits for land use rights		**5,963,297**	7,507,699
Properties under development		**51,459,724**	47,767,443
Inventories, at cost		**156,397**	160,528
Amounts due from customers for contract work	4	**–**	513,524
Land development cost recoverable		**813,410**	814,838
Completed properties held for sale		**16,184,931**	19,413,477
Financial assets at fair value through profit or loss		**262,372**	14,656
Trade and other receivables and prepayments	12	**49,194,121**	39,278,801
Contract assets	4	**1,786,238**	–
Restricted bank deposits		**5,047,797**	2,797,531
Cash and cash equivalents		**20,766,412**	21,968,819
Total current assets		**151,634,699**	140,237,316
Total assets		**219,172,522**	191,894,163
EQUITY			
Equity attributable to owners of the Company			
Capital	13	**27,325,933**	27,129,614
Shares held for Restricted Share Award Scheme	13	**(179,456)**	(140,746)
Other reserves		**(568,519)**	768,023
Retained earnings		**22,344,797**	20,745,229
		48,922,755	48,502,120
Non-controlling interests		**13,195,361**	10,226,108
Total equity		**62,118,116**	58,728,228

Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	16	**56,543,561**	51,033,017
Trade and other payables	17	**225,999**	6,895
Deferred income tax liabilities		**4,024,267**	3,249,749
Total non-current liabilities		**60,793,827**	54,289,661
Current liabilities			
Borrowings	16	**16,585,232**	9,999,137
Trade and other payables	17	**52,122,982**	37,879,938
Advance receipts from customers	4	**–**	24,201,908
Contract liabilities	4	**21,248,960**	–
Income tax payables		**6,018,792**	6,795,291
Financial liabilities at fair value through profit or loss		**284,613**	–
Total current liabilities		**96,260,579**	78,876,274
Total liabilities		**157,054,406**	133,165,935
Total equity and liabilities		**219,172,522**	191,894,163

The notes on pages 62 to 100 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Interim Income Statement

	Note	Unaudited Six months ended 30 June 2018 RMB'000	 2017 RMB'000
Revenue	7	**15,376,264**	17,258,531
Cost of sales		**(11,761,699)**	(13,457,253)
Gross profit		**3,614,565**	3,801,278
Interest and other income		**1,122,957**	470,646
Other (losses)/gains — net	18	**(213,615)**	900,716
Fair value gains on investment properties	10	**723,123**	435,009
Selling and marketing expenses		**(380,845)**	(294,945)
Administrative expenses		**(510,160)**	(440,034)
Operating profit		**4,356,025**	4,872,670
Finance costs	19	**(665,838)**	(492,109)
Share of gains of joint ventures		**837,125**	349,877
Share of gains of associates		**207,753**	55,989
Profit before income tax		**4,735,065**	4,786,427
Income tax expense	20	**(2,015,131)**	(1,790,607)
Profit for the period		**2,719,934**	2,995,820
Attributable to:			
Owners of the Company		**2,333,404**	2,667,776
Non-controlling interests		**386,530**	328,044
		2,719,934	2,995,820
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	21	**0.310**	0.358
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	21	**0.308**	0.358

The notes on page 62 to 100 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Profit for the period	**2,719,934**	2,995,820
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Fair value losses on financial assets at fair value through other comprehensive income	**(36,689)**	–
Items that may be reclassified subsequently to profit or loss		
Fair value gains on available-for-sale financial assets	**–**	80,848
Currency translation differences	**(16,256)**	91,998
Share of other comprehensive income of investments accounted for using the equity method	**(1,027,500)**	(1,758)
Other comprehensive income for the period	**(1,080,445)**	171,088
Total comprehensive income for the period	**1,639,489**	3,166,908
Total comprehensive income attributable to:		
— Owners of the Company	**1,224,682**	2,839,996
— Non-controlling interests	**414,807**	326,912
	1,639,489	3,166,908

The notes on page 62 to 100 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes In Equity

	Note	Attributable to owners of the Company					Non-controlling interests			
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2018		27,129,614	(140,746)	768,023	20,745,229	48,502,120	3,500,000	3,930,367	2,795,741	58,728,228
Adjustment on adoption of HKFRS9, net of tax	4	–	–	(199,031)	199,031	–	–	–	–	–
Adjustment on adoption of HKFRS15, net of tax	4	–	–	–	57,529	57,529	–	–	56,001	113,530
Restated balance at 1 January 2018		27,129,614	(140,746)	568,992	21,001,789	48,559,649	3,500,000	3,930,367	2,851,742	58,841,758
Profit for the period		–	–	–	2,333,404	2,333,404	70,000	93,609	222,921	2,719,934
Fair value losses on financial assets at fair value through other comprehensive income		–	–	(36,689)	–	(36,689)	–	–	–	(36,689)
Currency translation differences		–	–	(44,533)	–	(44,533)	–	–	28,277	(16,256)
Share of other comprehensive income of investments accounted for using the equity method		–	–	(1,027,500)	–	(1,027,500)	–	–	–	(1,027,500)
Total other comprehensive income,net of tax		–	–	(1,108,722)	2,333,404	1,224,682	70,000	93,609	251,198	1,639,489
Transactions with owners of the company										
Dividends relating to 2017		–	–	–	(990,396)	(990,396)	–	–	–	(990,396)
Expenses on share-based payment		–	–	39,769	–	39,769	–	–	–	39,769
Issue of shares pursuant to exercise of employee share options	13	194,421	–	(34,527)	–	159,894	–	–	–	159,894
Vesting of shares under Restricted Share Award Scheme	13	1,898	22,898	(24,796)	–	–	–	–	–	–
Purchase of shares for Restricted Share Award Scheme	13	–	(61,608)	–	–	(61,608)	–	–	–	(61,608)
Distribution relating to capital instrument		–	–	–	–	–	(70,000)	–	–	(70,000)
Distribution relating to capital securities		–	–	–	–	–	–	(150,243)	–	(150,243)
Distribution relating to non-controlling interest		–	–	–	–	–	–	–	(104,941)	(104,941)
Contribution from non-controlling interests		–	–	–	–	–	–	–	2,048,500	2,048,500
Total contributions by and distributions to owners of the company		196,319	(38,710)	(19,554)	(990,396)	(852,341)	(70,000)	(150,243)	1,943,559	870,975
Increase in non-controlling interest as a result of business combination	25	–	–	–	–	–	–	–	312,487	312,487
Increase in non-controlling interest as a result of other acquisition		–	–	–	–	–	–	–	481,265	481,265
Decrease in non-controlling interest as a result of disposal of subsidiaries		–	–	–	–	–	–	–	(14,621)	(14,621)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries		–	–	(9,235)	–	(9,235)	–	–	(4,002)	(13,237)
Total transactions with owners of the company		196,319	(38,710)	(28,789)	(990,396)	(861,576)	(70,000)	(150,243)	2,718,688	1,636,869
Balance at 30 June 2018		27,325,933	(179,456)	(568,519)	22,344,797	48,922,755	3,500,000	3,873,733	5,821,628	62,118,116

Condensed Consolidated Interim Statement of Changes In Equity

	Unaudited							
	Attributable to owners of the Company					Non-controlling interests		
	Share Capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital Instrument RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2017	26,920,490	(147,280)	(359,691)	17,585,122	43,998,641	3,500,000	1,831,239	49,329,880
Profit for the period	–	–	–	2,667,776	2,667,776	122,500	205,544	2,995,820
Other comprehensive income:								
Fair value gain on available-for-sale financial assets	–	–	70,755	–	70,755	–	10,093	80,848
Currency translation differences	–	–	103,223	–	103,223	–	(11,225)	91,998
Share of other comprehensive income of investments accounted for using the equity method	–	–	(1,758)	–	(1,758)	–	–	(1,758)
Total comprehensive income for the period ended 30 June 2017	–	–	172,220	2,667,776	2,839,996	122,500	204,412	3,166,908
Transactions with owners of the company								
Dividends declared relating to 2016	–	–	–	(800,490)	(800,490)	–	–	(800,490)
Expense on share based payment	–	–	54,607	–	54,607	–	–	54,607
Issue of shares pursuant to exercise of employee share options	10,515	–	(1,859)	–	8,656	–	(68)	8,588
Vesting of shares under Restricted Share Award Scheme (Note 13)	2,164	30,746	(32,910)	–	–	–	–	–
Purchase of shares for Restricted Share Award Scheme (Note 13)	–	(30,405)	–	–	(30,405)	–	–	(30,405)
Contribution from non-controlling interests	–	–	–	–	–	–	17,189	17,189
Total contributions by and distributions to owners of the company	12,679	341	19,838	(800,490)	(767,632)	–	17,121	(750,511)
Increase in non-controlling interest as a result of business combination	–	–	–	–	–	–	112,151	112,151
Increase in non-controlling interests as a result of disposal interests without change of control	–	–	2,595	–	2,595	–	21,405	24,000
Decrease in non-controlling interest as a result of disposal of a subsidiary	–	–	–	–	–	–	(24,428)	(24,428)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling shareholders	–	–	109,113	–	109,113	–	(143,413)	(34,300)
Total transactions with owners of the company	12,679	341	131,546	(800,490)	(655,924)	–	(17,164)	(673,088)
Balance at 30 June 2017	26,933,169	(146,939)	(55,925)	19,452,408	46,182,713	3,622,500	2,018,487	51,823,700

Condensed Consolidated Interim Cash Flow Statement

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	**4,399,507**	10,554,018
Income tax paid	**(1,973,271)**	(2,302,129)
Interest paid	**(1,521,131)**	(1,286,678)
Net cash generated from operating activities	**905,105**	6,965,211
Cash flows from investing activities		
Investment in business partners	**(16,788,874)**	(20,310,628)
Repayment from business partners	**2,532,892**	8,986,258
Others	**(1,449,563)**	(1,419,941)
Net cash used in investing activities	**(15,705,545)**	(12,744,311)
Cash flows from financing activities		
Proceeds from borrowings	**17,323,511**	14,791,008
Repayments of borrowings	**(5,664,831)**	(8,420,279)
Others	**1,912,767**	(14,928)
Net cash generated from financing activities	**13,571,447**	6,355,801
Net (decrease)/increase in cash and cash equivalents	**(1,228,993)**	576,701
Cash and cash equivalents at the beginning of the period	**21,968,819**	19,052,833
Exchange gains	**26,586**	5,112
Cash and cash equivalents at end of the period	**20,766,412**	19,634,646

The notes on page 62 to 100 form an integral part of these condensed consolidated interim financial information.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

Sino-Ocean Group Holding Limited (the "Company", formerly known as Sino-Ocean Land Holdings Limited) 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 22 August 2018 by the Board of directors.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The financial information relating to the year ended 31 December 2017 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2018 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(i) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their interim reporting period commencing 1 January 2018:

- HKFRS 9, 'Financial instruments'
- HKFRS 15, 'Revenue from contracts with customers'

The impact of the adoption of these standards and the new accounting policies are disclosed in note 4 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(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 2018 and have not been early adopted.

HKFRS 16 Leases

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the balance sheet. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated balance sheet. Short-term leases of less than twelve months and leases of low-value assets are exempted from the reporting obligation. The new standard will therefore results in an increase in right of use assets and an increase in financial liabilities in the consolidated balance sheet. In the consolidated income statement, as a result, the operating expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expenses will increase.

The directors consider that the adoption of the new standard will have limited impact on the current consolidated financial position of the Group as the aggregated amount of non-concellable operating lease is small. However with these business expands in the near future the Group expects that HKFRS 16 will have some impact on the consolidated financial position of the Group.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

3 ACCOUNTING POLICIES (CONTINUED)

(ii) (Continued)

Date of adoption by Group

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 9 Financial instruments and HKFRS 15 Revenue from contracts with customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

4.1 HKFRS 9 Financial instruments — Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 Financial Instruments ("HKAS39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

(i) Classification and measurement of financial instruments

The total impact on the Group's retained earnings due to classification and measurement of financial instruments as at 1 January 2018 is as follow:

	RMB'000
Opening retained earnings — HKAS 39	20,745,229
Reclassify investments from available-for-sale to financial assets at fair value through profit or loss ("FVPL")	199,031
Adjustment to retained earnings from adoption of HKFRS 9	199,031
Opening retained earnings — HKFRS 9 (before restatement for HKFRS 15)	20,944,260

Management has assessed the business models and the contractual terms of the cash flows apply to the financial assets held by the Group at the date of initial application of HKFRS 9 (1 January 2018) and has classified its financial instruments into the appropriate HKFRS 9 categories, which are those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortised cost.

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.1 HKFRS 9 Financial instruments — Impact of adoption (Continued)

(i) Classification and measurement of financial instruments (Continued)

The main effects resulting from this reclassification are as follows:

	Available-for-sale financial assets ("AFS") RMB'000	Financial assets at fair value through other comprehensive income ("FVOCI") RMB'000	Financial assets at fair value through profit or loss ("FVPL") RMB'000
At 1 January 2018			
Opening balance — HKAS 39	3,708,978	–	–
Reclassify from AFS to FVOCI	(657,165)	657,165	–
Reclassify from AFS to FVPL	(3,051,813)	–	3,051,813
Opening balance — HKFRS 9	–	657,165	3,051,813

The main effects resulting from this reclassification on the Group's equity is as follows:

	AFS reserve RMB'000	FVOCI reserve RMB'000	Retained earnings RMB'000
At 1 January 2018			
Opening balance — HKAS 39	251,673	–	20,745,229
Reclassify from AFS to FVOCI	(52,642)	52,642	–
Reclassify from AFS to FVPL	(199,031)	–	199,031
Opening balance — HKFRS 9	–	52,642	20,944,260

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.2 HKFRS 9 Financial instruments — Accounting policies

(i) *Investments and other financial assets*

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.2 HKFRS 9 Financial instruments — Accounting policies (Continued)

(i) *Investments and other financial assets (Continued)*

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.3 HKFRS 15 Revenue from contracts with customers — Impact of adoption

The Group has adopted HKFRS 15 Revenue from contracts with customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The Group elected to use a modified retrospective approach for transition which allows the Group to recognise the cumulative effects of initially applying HKFRS15 as an adjustment to the opening balance of retained earnings in the 2018 financial year. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus the comparative figures have not been restated.

HKFRS 15 replaces the provisions of HKAS 18 Revenue ("HKAS18") and HKAS 11 Construction contracts ("HKAS11") that relate to the recognition, classification and measurement of revenue and costs. The effects of the adoption of HKFRS 15 are as follows:

Accounting for property development activities
In prior reporting periods, the Group accounted for property development activities when significant risk and rewards of ownership has been transferred to the customers on delivery in its entirety at a single time upon vacant possession and not continuously as construction progresses.

Under HKFRS 15, properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to purchasers of properties is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued or properties are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The excess of cumulative billings to purchasers of properties over the cumulative revenue recognised in profit or loss is recognised as contract liabilities. The contract liability is recognised as revenue when the Group satisfies its performance obligations.

Accounting for costs incurred to obtain a contract
Following the adoption of HKFRS 15, costs such as stamp duty and sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in contract assets.

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.3 HKFRS 15 Revenue from contracts with customers — Impact of adoption (Continued)

Accounting for significant financing component

For contracts where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price is adjusted for the effects of a financing component, if significant.

Presentation of contract assets and liabilities

Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract liabilities for progress billing recognised in relation to property development activities were previously presented as advanced proceeds received from customers.

- Contract assets recognised in relation to construction activities and prepaid sales commission were previously presented as due from customers for contract work and trade and other receivables and prepayments respectively.

(a) The impact on the Group's financial position by the application of HKFRS 15 as compared to HKAS 18 and HKAS 11 that was previously in effect before the adoption of HKFRS 15 is as follows:

	As at 1 January 2018 Effects of the adoption of HKFRS 15 RMB'000
Condensed consolidated interim balance sheet (extract)	
Goodwill	(9,582)
Investments in joint ventures	1,503
Investments in associates	20,022
Properties under development	(1,641,328)
Completed properties held for sale	(953,498)
Amounts due from customers for contract work	(513,524)
Contract assets	641,433
Trade and other payables	241,598
Advance receipts from customers	(24,201,908)
Contract liabilities	21,235,422
Income tax payable	125,715
Deferred income tax liabilities	30,669
Retained earnings	57,529
Non-controlling interests	56,001

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.3 HKFRS 15 Revenue from contracts with customers — Impact of adoption (Continued)

(b) The amount by each financial statements line items affected in the current period and period to date by the application of HKFRS 15 as compared to HKAS 18 and HKAS 11 that was previously in effect before the adoption of HKFRS 15 is as follows:

	As at 30 June 2018 Effects of the adoption of HKFRS 15 RMB'000
Condensed consolidated interim balance sheet (extract)	
Goodwill	**(7,769)**
Investments in joint ventures	**9,039**
Investments in associates	**72,738**
Properties under development	**(3,650,995)**
Completed properties held for sale	**(1,042,681)**
Amounts due from customers for contract work	**(748,373)**
Contract assets	**1,786,238**
Trade and other payables	**586,212**
Advance receipts from customers	**(27,176,410)**
Contract liabilities	**21,248,960**
Income tax payable	**431,551**
Deferred income tax liabilities	**311,527**
Retained earnings	**783,321**
Non-controlling interests	**233,036**

	Six months ended 30 June 2018 Effects of the adoption of HKFRS 15 RMB'000
Condensed consolidated interim income statement (extract)	
Revenue	**3,563,228**
Cost of sales	**(2,133,959)**
Share of gains of joint ventures	**7,536**
Share of gains of associates	**52,716**
Income tax expense	**(586,694)**
Profit for the period	**902,827**
— Attributable to owners of the Company	**725,792**
— Attributable to non-controlling interests	**177,035**

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.3 HKFRS 15 Revenue from contracts with customers — Impact of adoption (Continued)

(c) Details of contract assets are as follows:

	30 June 2018 RMB'000	1 January 2018 RMB'000
Contract assets related to sales of properties	**1,037,865**	127,909
Contract assets related to construction services	**748,373**	513,524
Total contract assets	**1,786,238**	641,433

(d) Contract liabilities

(i) As at 1 January and 30 June 2018, the contract liabilities mainly included the payments received from sales of properties which were usually received in advance of the performance under the contracts.

(ii) Revenue from sales of properties totalled RMB9,106 million was recognised in current reporting period that was included in the contract liability balance at the beginning of the period.

4.4 HKFRS 15 Revenue from contracts with customers — Accounting policies

(i) *Properties under development — costs to fulfill a contract*

Costs to fulfill a contract comprise the development cost and land use right cost directly related to an existing contract that will be used to satisfy performance obligations in the future. The costs to fulfill a contract are recorded in properties under development if they are expected to be recovered. The amount is amortised on a systematic basis, consistent with the pattern of revenue recognition of the contract to which the asset relates.

(ii) *Contract assets and contract liabilities*

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognized as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs of obtaining a contract with a customer within contract assets if the Group expects to recover those costs.

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

4.4 HKFRS 15 Revenue from contracts with customers — Accounting policies (Continued)

(iii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Sales of properties and construction services

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

For construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

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, in addition to the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty applied to the consolidated financial statements for the year ended 31 December 2017, the following judgements and estimates were applied:

Judgments and estimates in revenue recognition for property development activities

Revenue from sales of properties is recognised over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgments. The Group has obtained legal counsel opinion regarding the enforceability of the right to payment for sales contracts. Management uses judgments, based on legal counsel opinion, to classify sales contracts into those with right to payment and those without the right.

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Changes in cost estimates in future periods can have effect on the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

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 does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

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 2018					
Borrowings	**20,138,794**	**19,628,840**	**29,506,000**	**16,435,378**	**85,709,012**
Trade and other payables excluding statutory liabilities	**50,435,112**	**–**	**225,999**	**–**	**50,661,111**
	70,573,906	**19,628,840**	**29,731,999**	**16,435,378**	**136,370,123**
At 31 December 2017					
Borrowings	12,934,626	15,932,235	27,167,413	15,983,634	72,017,908
Trade and other payables excluding statutory liabilities	36,877,146	–	6,895	–	36,884,041
	49,811,772	15,932,235	27,174,308	15,983,634	108,901,949

The amounts have not included financial guarantee contracts:

- which the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee for loans procured by the purchasers of the Group's properties (Note 23). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties;

- which the Group make for the joint-liability for joint ventures and associates' bank borrowings (Note 23). Such guarantees terminate upon the repayment of relevant bank borrowings.

Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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).

The following tables present the Group's assets or liabilities that are measured at fair value as at 30 June 2018 and 31 December 2017.

	Level 1	Level 2	Level 3	Total
Assets/(liabilities)				
Group				
As at 30 June 2018				
Financial assets				
Financial assets at fair value through profit or loss	**270,633**	**1,163,422**	**1,996,538**	**3,430,593**
Financial assets at fair value through other comprehensive income:				
— listed equity securities (Note 11)	**70,548**	**–**	**–**	**70,548**
— other unlisted equity securities (Note 11)	**–**	**586,617**	**–**	**586,617**
	341,181	**1,750,039**	**1,996,538**	**4,087,758**
As at 30 June 2018				
Financial liabilities				
Financial liabilities at fair value through profit or loss	**–**	**(284,613)**	**–**	**(284,613)**
Assets				
Group				
As at 31 December 2017				
Financial assets at fair value through profit or loss	256,972	(242,316)	–	14,656
Available-for-sale financial assets:				
— listed equity securities	166,267	–	–	166,267
— equity fund investments	–	1,130,643	1,395,826	2,526,469
— other unlisted equity securities	–	586,617	420,969	1,007,586
— others	–	–	8,656	8,656
	423,239	1,474,944	1,825,451	3,723,634

There were no transfers between three levels during the period.

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

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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

	FVPL : equity securities and equity fund RMB'000
Opening balance at 1 January 2018	1,825,451
Additions	118,374
Fair value gains	49,504
Capital return	(3,918)
Currency translation differences	9,147
Disposals	(2,020)
Closing balance at 30 June 2018	1,996,538

The finance department of the Group includes a team that performs the valuations of level 3 financial instruments required for financial reporting purposes. The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done once every six months, in line with the Group's interim and annual reporting dates.

The components of the Level 3 instruments mainly include investments in private investment funds and unlisted companies. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows and comparable transactions approaches. Major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimate of discount rate and recent market transactions etc. The fair values of these instruments determined by the Group requires significant judgement, including the financial performance of the investee company, market value of comparable properties as well as discount rate, etc.

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.

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 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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

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.

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, fair value gains/losses from investment properties, corporate overheads and other (losses)/gains – net. Other information provided to the Committee, except as noted below, is measured in a manner consistent with that in the financial statements.

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

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

7 SEGMENT INFORMATION (CONTINUED)

	Unaudited							
	Property development							
	Beijing-Tianjin – Hebei RMB'000	Yangtze River Delta RMB'000	Yangtze Mid-stream and Chengdu – Chongqing RMB'000	Pearl River Delta RMB'000	Others RMB'000	Investment property RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2018								
Total segment revenue	**3,919,992**	**2,125,277**	**768,574**	**3,893,933**	**2,484,628**	**552,751**	**3,677,150**	**17,422,305**
Inter-segment revenue	**–**	**(218,170)**	**–**	**(19,169)**	**–**	**(10,671)**	**(1,798,031)**	**(2,046,041)**
Revenue (from external customers)	**3,919,992**	**1,907,107**	**768,574**	**3,874,764**	**2,484,628**	**542,080**	**1,879,119**	**15,376,264**
Segment operating profit	**654,973**	**371,270**	**12,889**	**1,322,858**	**67,730**	**376,561**	**1,222,142**	**4,028,423**
Depreciation and amortization (Note 8)	**(1,994)**	**(717)**	**(147)**	**(312)**	**(877)**	**(207)**	**(24,965)**	**(29,219)**
Six months ended 30 June 2017								
Total segment revenue	6,624,166	3,694,431	1,460,140	335,427	3,065,482	481,901	2,924,171	18,585,718
Inter-segment revenue	–	–	–	–	–	(8,435)	(1,318,752)	(1,327,187)
Revenue (from external customers)	6,624,166	3,694,431	1,460,140	335,427	3,065,482	473,466	1,605,419	17,258,531
Segment operating profit	1,535,019	838,532	100,272	181,367	308,072	343,520	428,311	3,735,093
Depreciation and amortization (Note 8)	(388)	(355)	(152)	(244)	(844)	(1,732)	(17,120)	(20,835)

7 SEGMENT INFORMATION (CONTINUED)

	Property development							
	Beijing-Tianjin – Hebei RMB'000	Yangtze River Delta RMB'000	Yangtze Mid-stream and Chengdu -Chongqing RMB'000	Pearl River Delta RMB'000	Others RMB'000	Investment property RMB'000	All other segments RMB'000	Total RMB'000
As at 30 June 2018 (Unaudited)								
Total segment assets	**31,291,691**	**13,369,847**	**5,460,821**	**23,840,956**	**16,333,752**	**26,047,821**	**67,358,142**	**183,703,030**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**108**	**1,102**	**8**	**882**	**1,754**	**812,781**	**474,875**	**1,291,510**
Total segment liabilities	**18,854,904**	**9,725,419**	**3,477,277**	**12,066,588**	**10,824,880**	**1,482,736**	**23,184,929**	**79,616,733**
As at 31 December 2017 (Audited)								
Total segment assets	30,562,286	11,170,819	6,416,658	16,136,489	12,921,547	20,879,733	63,590,360	161,677,892
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,308	3,095	137	1,254	576	617,111	441,395	1,066,876
Total segment liabilities	14,343,569	7,079,666	4,305,927	8,570,066	6,423,882	2,413,815	25,747,107	68,884,032

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

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Segment operating profit	**4,028,423**	3,735,093
Corporate finance income	**23,455**	69,461
Corporate overheads	**(205,361)**	(267,609)
Fair value gains on investment properties (Note 10)	**723,123**	435,009
Other (losses)/gains — net (Note 18)	**(213,615)**	900,716
Finance costs (Note 19)	**(665,838)**	(492,109)
Share of gains of joint ventures	**837,125**	349,877
Share of gains of associates	**207,753**	55,989
Profit before income tax	**4,735,065**	4,786,427

7 SEGMENT INFORMATION (CONTINUED)

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Reportable and other segments' assets are reconciled to total assets as follows:		
Total segment assets	**183,703,030**	161,677,892
Corporate cash and cash equivalents	**7,074,336**	6,230,461
Investments in joint ventures	**17,681,510**	14,720,119
Investments in associates	**5,211,507**	4,562,962
Financial assets at fair value through other comprehensive income (Note 11)	**657,165**	–
Available-for-sale financial assets	**–**	3,708,978
Financial assets at fair value through profit or loss	**3,430,593**	14,656
Deferred income tax assets	**1,414,381**	979,095
Total assets per consolidated balance sheet	**219,172,522**	191,894,163
Reportable and other segments' liabilities are reconciled to total liabilities as follows:		
Total segment liabilities	**79,616,733**	68,884,032
Current borrowings (Note 16)	**16,585,232**	9,999,137
Non-current borrowings (Note 16)	**56,543,561**	51,033,017
Deferred income tax liabilities	**4,024,267**	3,249,749
Financial liabilities at fair value through profit or loss	**284,613**	–
Total liabilities per consolidated balance sheet	**157,054,406**	133,165,935

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 2018 and 2017.

As at 30 June 2018, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB43,412,136,000 (31 December 2017: RMB37,078,146,000), the total of these non-current assets located in Hong Kong and the United States RMB1,555,314,000 (31 December 2017: RMB904,946,000).

For the six months ended 30 June 2018 and 2017, the Group does not have any single customer with the transaction value over 10% of the total external sales.

8 PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

	Unaudited	
	Property, plant and equipment RMB'000	Land use Rights RMB'000
Opening net book amount as at 1 January 2018	**1,261,388**	**59,535**
Additions	**478,729**	**–**
Depreciation and amortization	**(28,577)**	**(642)**
Acquisition of subsidiaries (Note 25)	**463,761**	**–**
Disposal of subsidiaries	**(146,257)**	**–**
Transfer from investment properties (Note 10)	**46,639**	**–**
Disposals	**(10,148)**	**(6,849)**
Closing net book amount as at 30 June 2018	**2,065,535**	**52,044**
Opening net book amount as at 1 January 2017	896,922	53,788
Additions	227,067	–
Depreciation and amortization	(19,889)	(946)
Acquisition of subsidiaries	516	–
Disposals	(898)	–
Closing net book amount as at 30 June 2017	1,103,718	52,842

9 INTANGIBLE ASSETS

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Opening net book amount at beginning of the period	**–**	–
Acquisition of subsidiaries (Note 25)	**439,668**	–
Closing net book amount at end of the period	**439,668**	–

10 INVESTMENT PROPERTIES

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Opening net book amount at beginning of the period	**17,279,920**	16,292,128
Addition	**812,781**	563,357
Transfer from completed properties held for sale	**278,366**	–
Disposal of an investment property	**(8,666)**	–
Transfer to property, plant and equipment and land use rights (Note 8)	**(46,639)**	–
Others	**(13,754)**	–
Fair value gains	**723,123**	435,009
Currency translation differences	**10,380**	(17,122)
Closing net book amount at end of the period	**19,035,511**	17,273,372

(a) Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Hangzhou, Dalian, Hong Kong and the United States are generally derived using the income capitalization method. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and values' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Fair values of completed residential properties and commercial property in the United States and residential property in Hong Kong are generally derived using the comparison approach by reference to recent sales price of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. Higher premium for higher quality buildings will results in a higher fair value measurement.

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

(b) Non-current assets pledged as security

Investment properties for the carrying values of RMB13,245,195,000 and RMB12,670,612,000 were pledged as collateral for the Group's borrowings as at 30 June 2018 and 31 December 2017, respectively.

Investment properties for the carrying values of RMB2,565,000,000 and RMB2,565,000,000 were pledged as collateral for the Group's capital instrument as at 30 June 2018 and 31 December 2017, respectively.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Investment in other unlisted equity securities (a)	**586,617**	–
Investment in listed equity securities (b)	**70,548**	–
	657,165	–

(a) Financial assets at fair value through other comprehensive income of the Group include certain unlisted equity securities which are denominated in HKD.

(b) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Trade receivables(a)	**1,273,875**	1,059,232
Less: provision for impairment	**(58,063)**	(45,178)
Trade receivables — net	**1,215,812**	1,014,054
Tax prepayments	**5,000,924**	4,264,430
Entrusted loans to third parties (b)	**3,913,914**	3,156,809
Entrusted loans to joint ventures (c)	**14,163,453**	5,053,855
Entrusted loans to associates (d)	**1,693,662**	580,306
Entrusted loans to a non-controlling interest (e)	**710,293**	749,298
Receivables from government (f)	**2,447,067**	2,051,463
Amounts due from joint ventures (g)	**17,967,648**	15,837,149
Amounts due from associates (g)	**5,545,378**	7,638,158
Amounts due from non-controlling interests (g)	**5,303,366**	2,892,709
Amounts due from third parties (g)	**4,939,971**	1,692,922
Cooperation deposits (h)	**821,624**	1,056,397
Other prepayments and deposits	**1,017,144**	1,050,949
Other receivables	**1,784,471**	1,225,984
	66,524,727	48,264,483
Less: non-current portion	**(17,330,606)**	(8,985,682)
Current portion	**49,194,121**	39,278,801

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade receivables

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within 6 months	**670,407**	879,578
Between 6 months to 1 year	**526,798**	80,789
Between 1 year to 2 years	**47,350**	66,005
Between 2 years to 3 years	**13,070**	12,953
Over 3 years	**16,250**	19,907
	1,273,875	1,059,232

(b) As at 30 June 2018, entrusted loans to third parties comprised:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Unsecured loans (i)	**3,513,647**	2,956,809
Secured loans (ii)	**400,267**	200,000
	3,913,914	3,156,809
Less: Non-current portion	**(2,953,914)**	(2,906,809)
	960,000	250,000

(i) Such loans bear interest ramping from 3.5% to 15% per annum (2017: from 3.5% to 15%).

(ii) Such loans bear interest ramping from 8% to 14.5% per annum (2017: 8%).

(c) Entrusted loans to joint ventures are unsecured, interest bearing from 5% to 13% per annum (31 December 2017: from 3.38% to 16%). RMB2,541,176,000(31 December 2017: RMB454,092,000) of the balances are repayable within one year. The remaining balances of RMB11,622,277,000(31 December 2017: RMB4,599,763,000) are repayable after one year and included in the non-current portion.

(d) Entrusted loans to associates are unsecured, interest bearing from 6.62% to 8% per annum (31 December 2017: from 6.62% to 8%). RMB160,384,000 (31 December 2017: nil) of the balances are repayable within one year. The remaining balances of RMB1,533,278,000 (31 December 2017: RMB580,306,000) are repayable after one year and included in the non-current potion.

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(e) Entrusted loans to non-controlling interests are unsecured, bearing interest from 9% to 12% per annum (31 December 2017: from 9% to 12%). RMB247,593,000 (31 December 2017: nil) of the balances are repayable within one year. The remaining balances of RMB462,700,000 (31 December 2017: RMB749,298,000) are repayable after one year and included in the non-current potion.

(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 2018, such cooperation is still in negotiation stage.

The maximum exposure to credit risk at the reporting date is the book value of each class of receivable mentioned above, and the fair value of trade and other receivables and prepayments approximates their book value for the reason that the impact of discounting is not significant.

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
Ordinary shares, issued and fully paid:					
Opening balance 1 January 2018	**7,564,608,657**	**30,169,687**	**27,129,614**	**–**	**27,129,614**
Issue of shares pursuant to exercise of employee share options	**50,677,000**	**237,108**	**194,421**	**–**	**194,421**
Vesting of shares under Restricted Share Award Scheme	**–**	**3,032**	**1,898**	**–**	**1,898**
	7,615,285,657	**30,409,827**	**27,325,933**	**–**	**27,325,933**
Restricted Share Award Scheme (a)					
Opening balance 1 January 2018	**(46,635,224)**	**–**	**–**	**(140,746)**	**(140,746)**
Shares purchased during the year	**(13,958,725)**	**–**	**–**	**(61,608)**	**(61,608)**
Vesting of shares under Restricted Share Award Scheme	**7,383,227**	**–**	**–**	**22,898**	**22,898**
	(53,210,722)	**–**	**–**	**(179,456)**	**(179,456)**
At 30 June 2018	**7,562,074,935**	**30,409,827**	**27,325,933**	**(179,456)**	**27,146,477**

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 2017	7,513,879,657	29,923,363	26,920,490	–	26,920,490
Issue of shares pursuant to exercise of employee share options	2,523,000	11,937	10,515	–	10,515
Vesting of shares under Restricted Share Award Scheme	–	2,151	2,164	–	2,164
	7,516,402,657	29,937,451	26,933,169	–	26,933,169
Restricted Share Award Scheme (a)					
Opening balance 1 January 2017	(52,942,116)	–	–	(147,280)	(147,280)
Shares purchased during the year	(7,248,933)	–	–	(30,405)	(30,405)
Vesting of shares under Restricted Share Award Scheme	10,180,743	–	–	30,746	30,746
	(50,010,306)	–	–	(146,939)	(146,939)
At 30 June 2017	7,466,392,351	29,937,451	26,933,169	(146,939)	26,786,230

(a) On 22 March 2010, the board of the Company resolved to adopt a Restricted Share Award Scheme, the purpose of the Scheme is to recognize and motivate the contribution of certain employees and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Restricted Share Award Scheme was administered by an independent trustee appointed by the Group, the trustee shall purchase from the market such number of shares awarded as specified by the Board and shall hold such shares until they are vested in accordance with the Restricted Share Award Scheme Rules. When the selected employee has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that employee.

13 CAPITAL (CONTINUED)

(a) (Continued)

Movements in the number of awarded shares for the six months ended 30 June 2018 and 2017 are as follows:

	Shares (thousands)
At 1 January 2018	**16,873**
Vested	**(7,383)**
Lapsed	**(589)**
At 30 June 2018	**8,901**
At 1 January 2017	21,568
Granted	10,890
Vested	(10,180)
Lapsed	(806)
At 30 June 2017	21,472

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

The weighted average fair value of awarded shares granted during the six months ended 30 June 2018 was HK$3.88 per share(30 June 2017: HK$3.89 per share).

The outstanding awarded shares as of 30 June 2018 were divided into several tranches on an equal basis as at their grant dates. The outstanding awarded shares will be exercised after a specified period ranging from one to three years from the grant date.

14 CAPITAL SECURITIES

On 21 September 2017, Sino-Ocean Land Treasure III Limited ("Sino-Ocean Land III"), a wholly owned subsidiary, issued perpetual subordinated guaranteed capital securities ("capital securities"), which are callable, with initial aggregate principal amount of USD600,000,000.

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.9% per annum, as defined in the subscription agreement. Such capital securities are guaranteed by the Company.

15 CAPITAL INSTRUMENT

On 30 December 2016, Hangzhou Xinhe Hotel Property Limited ("Hangzhou Xinhe") and Hangzhou Yunhe Business District Development Limited ("Hangzhou Yunhe"), wholly owned subsidiaries, together issued a capital instrument, which is callable, with an initial aggregate principal amount of RMB3,500,000,000.

The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Hangzhou Xinhe and Hangzhou Yunhe. When Hangzhou Xinhe or Hangzhou Yunhe or Sino-Ocean Land Limited (now known as Sino-Ocean Holding Group (China) Limited), another subsidiary of the Group, elects to declare dividends to their shareholders, Hangzhou Xinhe and Hangzhou Yunhe should make distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement. The capital instrument is secured by the investment property, properties under development and completed properties held for sale owned by Hangzhou Xinhe and Hangzhou Yunhe.

16 BORROWINGS

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Non-current	**56,543,561**	51,033,017
Current	**16,585,232**	9,999,137
	73,128,793	61,032,154

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
At beginning of the period	**61,032,154**	43,809,819
New bank loans raised	**7,774,260**	7,373,867
Other loans raised (b)	**3,567,294**	3,435,000
Medium-term note issuance (c)	**5,981,957**	3,982,141
Repayment of bank loans	**(3,263,601)**	(8,249,278)
Repayment of other loans	**(2,401,230)**	(171,001)
Increase due to acquisition of subsidiaries (Note 25)	**112,400**	6,136,940
Decrease due to a joint venture to a subsidiary	**–**	(80,000)
Currency translation differences	**294,330**	(534,051)
Changes of carrying value of corporate bonds and bank loans	**31,229**	47,970
At end of the period	**73,128,793**	55,751,407

16 BORROWINGS (CONTINUED)

(a) As at 30 June 2018, long-term and short-term borrowings amounting to RMB14,020,418,000 were secured by investment properties, properties under development and completed properties held for sale of the Group.

As at 31 December 2017, long-term and short-term borrowings amounting to RMB7,085,353,000 were secured by investment properties of the Group.

(b) During the six months ended 30 June 2018, other loans amounting to RMB3,026,064,000 and RMB541,230,000 are raised from financial institutions and related parties respectively. Such loans bear an interest rate of 4.35% to 12% per annum.

During the six months ended 30 June 2017, other loans amounting to RMB2,950,000,000 and RMB485,000,000 are raised from financial institutions and related parties respectively. Such loans bear an interest rate of 3.5% to 12% per annum.

(c) On 25 January and 9 February 2018, the Group issued Medium-term Note in an aggregate amount of RMB6,000,000,000 in two series: (i) RMB3,000,000,000 with coupon rate of 5.87% per year of a term of three years, and (ii) RMB3,000,000,000 with coupon rate of 5.95% per year of a term of three years.

(d) Interest expense on borrowings for the six months ended 30 June 2018 is RMB1,803,639,000 (six months ended 30 June 2017: RMB1,399,352,000).

17 TRADE AND OTHER PAYABLES

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Trade payables (a)	**14,985,057**	13,622,488
Accrued expenses	**4,648,219**	3,020,211
Amounts due to joint ventures (b)	**11,149,564**	8,630,367
Amounts due to associates (b)	**4,324,312**	829,939
Amounts due to non-controlling interests (b)	**1,827,458**	252,692
Dividends payable	**1,094,499**	–
Amounts due to government	**98,498**	74,140
Other taxes payable	**1,687,870**	1,002,792
Deposits received for properties	**3,813,960**	3,527,434
Other payables	**8,719,544**	6,926,770
	52,348,981	37,886,833
Less: non-current portion	**(225,999)**	(6,895)
Current portion	**52,122,982**	37,879,938

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

17 TRADE AND OTHER PAYABLES (CONTINUED)

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within 6 months	**8,070,287**	5,561,251
Between 6 months to 12 months	**2,560,550**	3,096,831
Between 1 year to 2 years	**2,063,977**	2,404,487
Between 2 years to 3 years	**1,551,705**	2,151,475
Over 3 years	**738,538**	408,444
	14,985,057	13,622,488

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

18 OTHER (LOSSES)/GAINS — NET

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Losses on disposal of subsidiaries	**(31,635)**	–
Gains on disposal of joint ventures and associates	**–**	66,104
(Losses)/gains on deemed disposal of joint ventures and associates	**(26,949)**	685,419
Losses on disposal of financial assets at fair value through profit or loss	**(6,902)**	(10,538)
Fair value losses of financial assets at fair value through profit or loss	**(72,953)**	(73,704)
Gains on disposal of available-for-sale financial assets	**–**	113,845
Exchange (losses)/gains	**(88,915)**	111,269
Negative goodwill on business combination	**–**	9,032
Other gains/(losses)	**13,739**	(711)
	(213,615)	900,716

19 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2018 **RMB'000**	2017 RMB'000
Interest expense:		
— Bank borrowings	**432,110**	333,202
— Other borrowings	**1,371,529**	1,066,150
Less: interest capitalized at a capitalization rate of 5.26% (2017: 5.07%) per annum	**(1,137,801)**	(907,243)
	665,838	492,109

20 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 2018 and 2017. Other companies are mainly subjected to Hong Kong profits tax.

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

	Unaudited Six months ended 30 June	
	2018 **RMB'000**	2017 RMB'000
Current income tax:		
— PRC enterprise income tax	**918,750**	997,647
— PRC land appreciation tax	**893,180**	589,192
Deferred income tax	**203,201**	203,768
	2,015,131	1,790,607

Notes to the Unaudited Condensed Consolidated Interim Financial Information

21 EARNINGS PER SHARE

(a) Basic

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

	Unaudited Six months ended 30 June	
	2018	2017
Profit attributable to owners of the Company (RMB'000)	**2,333,404**	2,667,776
Profit used to determine basic earnings per share (RMB'000)	**2,333,404**	2,667,776
Weighted average number of ordinary shares in issue (thousands)	**7,530,383**	7,460,072
Basic earnings per share (RMB per share)	**0.310**	0.358

(b) Diluted

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

	Unaudited Six months ended 30 June	
	2018	2017
Profit attributable to owners of the Company (RMB'000)	**2,333,404**	2,667,776
Profit used to determine diluted earnings per share (RMB'000)	**2,333,404**	2,667,776
Weighted average number of ordinary shares in issue (thousands)	**7,530,383**	7,460,072
Adjustment for:		
— share options (thousands)	**30,216**	–
— shares held for the Restricted Share Award Scheme (thousands)	**3,709**	–
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,564,308**	7,460,072
Diluted earnings per share (RMB per share)	**0.308**	0.358

22 DIVIDENDS

On 22 August 2018, the Board has resolved to declare an interim dividend of RMB933,331,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB1,068,669,000).

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Final dividend paid	**990,396**	800,490
Proposed interim dividend of RMB0.123 (2017: RMB0.142) per ordinary share	**933,331**	1,068,669

23 FINANCIAL GUARANTEES

(a) The Group had the following financial guarantees as at the end of 30 June 2018 and 31 December 2017:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	**8,975,538**	10,551,985

As at 30 June 2018 and 31 December 2017, 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 2018, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,708,220,000 (31 December 2017: RMB2,508,293,000). Properties under development owned by these joint ventures and associates are the primary collateral of such borrowings.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

24 COMMITMENTS

(a) Capital commitments

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

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Properties under development	**5,236,634**	5,468,763
Commitment of Investment	**717,461**	415,385
Contracted but not provided for	**5,954,095**	5,884,148

(b) Operating lease rental receivables

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within 1 year	**1,043,825**	919,826
Between 1 to 5 years	**1,422,991**	1,397,777
Over 5 years	**1,247,151**	779,966
	3,713,967	3,097,569

25 BUSINESS COMBINATIONS

(a) On 31 March 2018, the Group acquired 30% of the equity interests of Incom Recycle Co., Ltd. (北京盈創再生資源回收有限公司) ("Incom Recycle"), an environmental technology company in Beijing, at a consideration of RMB278,580,000. As a result of the acquisition, the equity interests of Incom Recycle held by the Group are from 21% to 51%. It became a subsidiary from an associate of the Group.

The following table summarizes the consideration paid for Incom Recycle, the fair value of assets acquired and liabilities assumed at the acquisition date.

	As at 30 June 2018 RMB'000
Consideration:	
— Consideration transferred	**278,580**
— Book value of equity interest in Incom Recycle held before business combination	**153,798**
— Deemed disposal losses of equity interest	**(31,935)**
Identifiable net assets acquired	**(291,237)**
Goodwill	**109,206**

Recognized amounts of identifiable assets acquired and liabilities acquired

	RMB'000
Cash and cash equivalents	28,686
Property, plant and equipment	84,536
Intangible assets	299,938
Inventories, at cost	1,884
Deposits for land use rights	30,300
Trade and other receivables and prepayments	262,931
Trade and other payables	(69,982)
Borrowings	(5,000)
Income tax payables	(90)
Deferred income tax liabilities	(62,150)
Non-controlling interests	(279,816)
Total identifiable net assets	291,237

The revenue included in the condensed consolidated income statement since 31 March 2018 contributed by Incom Recycle was RMB1,537,000. Incom Recycle also contributed loss of RMB4,692,000 over the same period.

Had Incom Recycle been consolidated from 1 January 2018, the condensed consolidated income statement would show pro-forma revenue of RMB15,378,218,000 and profit of RMB2,709,676,000.

25 BUSINESS COMBINATIONS (CONTINUED)

(b) On 31 May 2018, the Group acquired 95% of the equity interests of Beijing Yuntaishutong Internet Technology Co., Ltd. ("Beijing Yuntai"), an internet technology company in Beijing, at a consideration of RMB836,000,000. As a result of the acquisition, Beijing Yuntai became a subsidiary of the Group.

The following table summarizes the consideration paid for Beijing Yuntai, the fair value of assets acquired and liabilities assumed at the acquisition date.

	As at 30 June 2018 RMB'000
Consideration:	
— Consideration transferred	**836,000**
Identifiable net assets acquired	**(620,742)**
Goodwill	**215,258**

Recognised amounts of identifiable assets acquired and liabilities acquired

	RMB'000
Cash and cash equivalents	22,098
Property, plant and equipment	379,225
Intangible assets	139,730
Inventories, at cost	98
Trade and other receivables and prepayments	564,574
Deferred income tax assets	3,003
Trade and other payables	(310,605)
Borrowings	(107,400)
Contract liabilities	(1,033)
Income tax payables	(521)
Deferred income tax liabilities	(35,756)
Non-controlling interests	(32,671)
Total identifiable net assets	620,742

The revenue included in the condensed consolidated income statement since 31 May 2018 contributed by Beijing Yuntai was RMB9,990,000. Beijing Yuntai also contributed loss of RMB1,173,000 over the same period.

Had Beijing Yuntai been consolidated from 1 January 2018, the condensed consolidated income statement would show pro-forma revenue of RMB15,455,855,000 and profit of RMB2,724,629,000.

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 2018 and 2017:

(a) Sales of services

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Provision of services:		
— Shareholders	**2,323**	1,819
— Joint ventures	**313,237**	304,299
— Associates	**40,200**	160,484
	355,760	466,602

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

(b) Key management compensation

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
Salaries and other short-term employee benefits	**17,707**	11,708
Post-employment benefits	**985**	678
Share-based payment	**20,771**	13,435
	39,463	25,821

26 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Interest income

	Unaudited Six months ended 30 June 2018 RMB'000	Unaudited Six months ended 30 June 2017 RMB'000
Interest received:		
— Joint ventures	**417,741**	102,867
— Associates	**173,430**	8,279
	591,171	111,146

(d) Interest expense

	Unaudited Six months ended 30 June 2018 RMB'000	Unaudited Six months ended 30 June 2017 RMB'000
Interest charged:		
— Joint ventures	**4,766**	21,986
— Associates	**–**	870
	4,766	22,856

(e) Entrusted loans to related parties

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
— Joint ventures (Note 12)	**14,163,453**	5,053,855
— Associates (Note 12)	**1,693,662**	580,306
	15,857,115	5,634,161

26 RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Amounts due from related parties

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
— Joint ventures (Note 12)	**17,967,648**	15,837,149
— Associates (Note 12)	**5,545,378**	7,638,158
	23,513,026	23,475,307

(g) Advance from related parties

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
— Joint ventures	**162,769**	157,670
— Associates	**336**	–
	163,105	157,670

(h) Amounts due to related parties

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
— Joint ventures (Note 17)	**11,149,564**	8,630,367
— Associates (Note 17)	**4,324,312**	829,939
	15,473,876	9,460,306

(i) Financial guarantees to related parties

As at 30 June 2018, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,708,220,000 (31 December 2017: RMB2,508,293,000).

27 SUBSEQUENT EVENTS

(a) On 31 July 2018, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company, issued guaranteed notes with principal amount of USD700,000,000 at interest rate equal to three-month USD London Interbank Offered Rate plus 2.30% due in 2021 (the "Notes"). The Notes are unsecured and are guaranteed by the Company.

(b) On 27 July 2018, Sino-Ocean Land Limited (now known as Sino-Ocean Holding Group (China) Limited), a wholly-owned subsidiary of the Company, issued corporate bonds with principal amount of RMB2 billion at interest rate of 4.70% of a five-year term.

List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
1	Beijing-Tianjin-Hebei Region	Beijing	26街區(北京)	26 Block (Beijing)	順義南法信項目	Nanfaxin Project, Shunyi District
2			CBD Z6 地塊(北京)	CBD Plot Z6 (Beijing)		
3			CBD Z13 地塊(北京)	CBD Plot Z13 (Beijing)		
4			昌平未來科技城F2項目(北京)	Changping Sci-tech Park F2 Project (Beijing)		
5			鑽石大廈(北京)	Diamond Plaza (Beijing)		
6			遠洋萬和風景(北京)	Eternal Scenery (Beijing)		
7			萬和斐麗(北京)	Grand Harmory Emerald Residence (Beijing)		
8			大興黃村0901地塊(北京)	Huangcun 0901 Plot, Daxing District (Beijing)		
9			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
10			頤璟春秋(北京)	Jasper Epoch (Beijing)		
11			順義佳利華項目(北京)	Jialihua Project, Shunyi District (Beijing)		
12			房山良鄉項目(北京)	Liangxiang Project (Beijing)		
13			麗澤商務區項目(北京)	Lize Business District Project (Beijing)		
14			門頭溝潭柘寺項目(北京)	Mentougou Tanzhe Temple Project (Beijing)		
15			密之雲項目(北京)	Mizhiyun Project (Beijing)		
16			遠洋天著春秋(北京)	Ocean Epoch (Beijing)	石景山區劉娘府項目	Liuniangfu Project, Shijingshan District
17			遠洋國際中心(北京)	Ocean International Center (Beijing)		
18			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
19			遠洋沁山水(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			遠洋萬和四季(北京)	Ocean Melody (Beijing)		
22			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
23			遠洋光華國際(北京)	Ocean Office Park (Beijing)		
24			遠洋天著(北京)	Ocean Palace (Beijing)	亦庄三羊項目	Yizhuang Sanyang Project
25			遠洋大廈(北京)	Ocean Plaza (Beijing)		
26			遠洋未來廣場(北京)	Ocean We-life Plaza (Beijing)		
27			遠洋五里春秋 (北京)	Ocean Wuliepoch (Beijing)	石景山五里坨組團一地塊	Wulituo Plot, Shijingshan District
28			遠洋新仕界(北京)	Our New World (Beijing)	遠洋春天著	Ocean Spring
29			門頭溝新城6002地塊(北京)	Plot 6002, Mentougou New Town (Beijing)		
30			天瑞宸章(北京)	Royal River Villa (Beijing)		
31			矽谷亮城4號樓(北京)	Silicon Valley Bright Center, Building #4 (Beijing)		
32			遠洋新光項目(北京)	Sino-Ocean Shin Kong Project (Beijing)	通州核心區地塊	Core Center Plot, Tongzhou District
33			禧瑞春秋(北京)	Xanadu & Ocean Epoch (Beijing)		
34			通州西集C地塊(北京)	Xiji Plot C, Tongzhou District (Beijing)		
35			通州西集D地塊(北京)	Xiji Plot D, Tongzhou District (Beijing)		
36			通州西集E地塊(北京)	Xiji Plot E, Tongzhou District (Beijing)		
37			經開區G2R1地塊(北京)	Yizhuang EDA Plot G2R1 (Beijing)		
38			亦莊汽車大廈項目(北京)	Yizhuang Motor Tower Project (Beijing)		
39			雍景桃源項目(北京)	Yongjingtaoyuan Project (Beijing)		
40		Tianjin	汽車世界(天津)	Autoworld (Tianjin)		
41			濱海弘澤製造項目(天津)	Binhai Hongze Zhizao Project (Tianjin)		
42			濱海新區生態城5號地塊(天津)	Binhai New Area Eco-Town Plot 5 (Tianjin)		
43			博大奶牛場項目(天津)	Boda Logistic Project (Tianjin)		
44			海河教育園13號地塊(天津)	Haihe Jiaoyuyuan Plot 13 (Tianjin)		
45			海河教育園14號地塊(天津)	Haihe Jiaoyuyuan Plot 14 (Tianjin)		
46			遠洋香奈(天津)	Ocean Chanson (Tianjin)	奧萊二期居住項目	Outlets Phase II Residential Project
47			遠洋城(天津)	Ocean City (Tianjin)		
48			遠洋新幹線(天津)	Ocean Express (Tianjin)		
49			遠洋萬和城(天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project
50			遠洋心裡(天津)	Ocean Inside (Tianjin)	濱海新區港濱路項目	Gangbin Road Project, Binhai New District
51			遠洋國際中心(天津)	Ocean International Center (Tianjin)		
52			遠洋琨庭(天津)	Ocean Kunting (Tianjin)		

List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
53			遠洋風景(天津)	Ocean Prospect (Tianjin)		
54			遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)		
55			紅熙郡(天津)	Royal River (Tianjin)	武清項目	Wuqing Project
56			鯤棲府(天津)	The Great Habitat Mansion House (Tianjin)	華明項目	Huaming Project
57			北辰宜興埠項目(天津)	Yixingbu Project, Beichen District (Tianjin)		
58		Shijiazhuang	長安區015號地(石家莊)	Chang'an District Plot 015 (Shijiazhuang)		
59			長安區舊改項目(石家莊)	Chang'an District Redevelopment Project (Shijiazhuang)		
60			遠洋福美瑾園(石家莊)	Jade Mansion (Sijiazhuang)		
61			遠洋7號(石家莊)	Sino-Ocean No. 7 (Shijiazhuang)		
62		Langfang	碾子營項目(廊坊)	Nianziying Project (Langfang)		
63			香河萬潤項目(廊坊)	Xiang He Wan Run Project (Langfang)		
64		Zhangjiakou	遠洋尚東萬和(張家口)	Centrality Mansion (Zhangjiakou)	橋東區東山天地項目	Qiaodong District Dongshantiandi Project
65	Yangtze River Delta Region	Shanghai	嘉譽國際廣場(上海)	Amazing City (Shanghai)		
66			崇明東灘花園項目(上海)	Chongming Dongtan Project (Shanghai)		
67			大寧國際廣場(上海)	Daning International Plaza (Shanghai)		
68			海興廣場(上海)	Haixing Plaza (Shanghai)		
69			遠洋財富中心(上海)	Ocean Fortune Center (Shanghai)		
70			遠洋 7 號(上海)	Ocean Mansion No.7 (Shanghai)		
71			遠洋萬和四季(上海)	Ocean Melody (Shanghai)	惠南項目	Huinan Project
72			遠洋商業大廈(上海)	Sino-Ocean Tower (Shanghai)	東海商業中心	East Ocean Center
73			西郊宸章(上海)	Wellness Masterpiece (Shanghai)		
74			元博酒店項目(上海)	Yuanbo Hotel Project (Shanghai)		
75		Hangzhou	大運河商務區項目(杭州)	Canal Business Center Project (Hangzhou)		
76			餘杭區崇賢B-6地塊(杭州)	Chongxian B-6 Plot, Yuhang District (Hangzhou)		
77			餘杭區崇賢C-7地塊(杭州)	Chongxian C-7 Plot, Yuhang District (Hangzhou)		
78			樂堤港(杭州)	Grand Canal Plaza (Hangzhou)		
79			上塘宸章(杭州)	Natural Masterpiece (Hangzhou)	拱墅區天馬廠南地塊	South block of Tianma in Gongshu District
80			融信遠洋Neo 1(杭州)	Neo 1 (Hangzhou)		
81			遠洋萬和四季(杭州)	Ocean Melody (Hangzhou)	江幹區彭埠項目	Pengbu Project, Jianggan District
82			招商遠洋春秋華庭(杭州)	Seasons Courtyard (Hangzhou)		
83			遠洋雁歸里(杭州)	Sino-Ocean Native Place (Hangzhou)	蕭山臨浦項目	Xiaoshan Linfu Project
84		Nanjing	濱江物流項目(南京)	Binjiang Logistics Project (Nanjing)		
85			遠洋山水(南京)	Ocean Landscape (Nanjing)	吉山項目	Jishan Project
86			遠洋萬和四季(南京)	Ocean Seasons (Nanjing)		
87			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
88		Suzhou	蘇悅灣花園(蘇州)	Easy Town (Suzhou)		
89			汾湖006地塊(蘇州)	Fenhu Plot 006 (Suzhou)		
90			昆山玉山冷鏈物流項目(蘇州)	Kunshan Yushan Cold Chain Logistics Project (Suzhou)		
91			萬和四季(蘇州)	Ocean Melody (Suzhou)	太倉港區項目	Taicang gangqu Project
92			蘇州新區58號地塊(蘇州)	Plot 58 Suzhou New District (Suzhou)		
93			洛克公園(蘇州)	Rocker Park (Suzhou)		
94			石湖項目(蘇州)	Shihu Project (Suzhou)		
95		Wuxi	好施項目(無錫)	Haoshi Project (Wuxi)		
96			遠洋太湖宸章(無錫)	Taihu Milestone (Wuxi)	裕沁項目	Yuqin Project
97		Jiaxing	桂語東方(嘉興)	East Lake (Jiaxing)		
98			嘉興物流項目(嘉興)	Jiaxing Project (Jiaxing)		
99			萃湖上郡(嘉興)	Lakeside Wonderland (Jiaxing)		
100			嘉善縣34號地塊(嘉興)	Plot 34, Jiashan (Jiaxing)		
101		Chuzhou	汊河新城向榮路項目(滁州)	Xiangrong Road Project (Chuzhou)		

	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
102		Changzhou	天隽半島(常州)	Sky Peninsula (Changzhou)		
103		Taizhou	椒江項目(台州)	Jiaojiang Project (Taizhou)		
104	Yangtze Mid-stream Region	Wuhan	賀家墩項目(武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project
105			江夏物流項目(武漢)	Jiangxia Logistic Project (Wuhan)		
106			遠洋世界(武漢)	Ocean World (Wuhan)		
107			遠洋東方境世界觀(武漢)	Oriental World View (Wuhan)	漢陽區歸元寺項目	Hanyang District Guiyuan Temple Project
108		Hefei	都會1907(合肥)	Metropolis 1907 (Hefei)		
109		Changsha	遠洋外灘壹號(長沙)	Bund No.1 (Changsha)	S10項目	S10 Project
110			雅郡項目(長沙)	Yajun Project (Changsha)		
111		Nanchang	遠洋天驕(南昌)	Sino-Ocean Elite Mansion (Nanchang)		
112			灣里區178項目(南昌)	Wanli 178 Project (Nanchang)		
113	Pearl River Delta Region	Zhongshan	遠洋繁花里(中山)	Blossoms Valley (Zhongshan)	神灣項目	Shenwan Project
114			遠洋君域(中山)	King Realm (Zhongshan)	東升隆成項目	Dongsheng Longcheng Project
115			遠洋香緹(中山)	Ocean Aromas (Zhongshan)	連興圍項目	Lianxingwei Project
116			遠洋錦上(中山)	Ocean Bloom (Zhongshan)	東鳳項目	Dongfeng Project
117			遠洋城(中山)	Ocean City (Zhongshan)		
118			遠洋翡麗郡(中山)	Ocean Emerald (Zhongshan)	南頭項目	Nantou Project
119			遠洋瓏郡(中山)	Ocean Longshire (Zhongshan)	橫欄項目	Henglan Project
120			遠洋一方(中山)	Ocean Magic City (Zhongshan)	新家園II期項目	Xinjiayuan Phase II
121			遠洋風景(中山)	Ocean Prospect (Zhongshan)	金馬遊藝廠項目	Jin Ma You Yi Chang Project
122			遠洋世家(中山)	Sino-Ocean Aristocratic Family (Zhongshan)	大信融佳項目	Da Xin Rong Jia Project
123			遠洋山水(中山)	Sino-Ocean Landscape (Zhongshan)		
124			南頭穗西村135項目(中山)	Suixicun 135 Project, Nantou (Zhongshan)		
125			南頭穗西村136項目(中山)	Suixicun 136 Project, Nantou (Zhongshan)		
126			南頭穗西村137項目(中山)	Suixicun 137 Project, Nantou (Zhongshan)	南頭穗西村項目	Suixicun Project, Nantou
127			南頭穗西村162商住項目(中山)	Suixicun 162 Project, Nantou (Zhongshan)		
128			南頭穗西村163商住項目(中山)	Suixicun 163 Project, Nantou (Zhongshan)		
129			遠洋新悅(中山)	The Place (Zhongshan)		
130			五桂山龍塘村項目 (中山)	Wuguishan Longtangcun Project (Zhongshan)		
131		Shenzhen	荔山項目(深圳)	Lishan Project (Shenzhen)		
132			龍船塘項目(深圳)	Long Chuan Tang Project (Shenzhen)		
133			龍華區德愛電子廠項目(深圳)	Longhua District De Ai Industrial Park (Shenzhen)		
134			遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
135			遠洋新天地(深圳)	Ocean Metropolis (Shenzhen)	盛平項目	Shengping Project
136		Guangzhou	遠洋天驕(廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
137			芙蓉墅(廣州)	Hibiscus Villa (Guangzhou)	芙蓉墅項目	Hibiscus Villa Project
138			白雲區穗花項目(廣州)	Honoka Project in Baiyun District (Guangzhou)		
139		Foshan	中南遠洋漫悅灣（佛山)	Delight River (Foshan)	三水雲庭大道北地塊八	Sanshui Project
140			三水區三水新城地塊一(佛山)	Plot 1 Sanshui New City, Sanshui District (Foshan)		
141			三水區三水新城地塊二(佛山)	Plot 2 Sanshui New City, Sanshui District (Foshan)		
142		Hong Kong	LP6(香港)	LP6 (Hong Kong)		
143		Zhanjiang	遠洋城(湛江)	Ocean City (Zhanjiang)		
144		Maoming	遠洋天驕(茂名)	Elite Palace (Maoming)		

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	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
145	Chengdu-chongqing Region	Chongqing	茶園項目(重慶)	Chayuan Project (Chongqing)		
146			重慶大學城項目(重慶)	Chongqing College Town Project (Chongqing)		
147			九龍坡區高廟地塊(重慶)	Gaomiao Plot, Jiulongpo District (Chongqing)		
148			九龍坡區高廟地塊二期(重慶)	Gaomiao Project, Phase II,Jiulongpo District (Chongqing)		
149			渝北區九曲河2號地(重慶)	Jiuquhe Plot 2 of Yubei District (Chongqing)		
150			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
151		Chengdu	華敏翰尊國際大廈(成都)	Huamin Empire Plaza (Chengdu)		
152			金牛項目(成都)	Jinniu Project (Chengdu)		
153			龍泉陽光城項目(成都)	Longquan Sunshine Town Project (Chengdu)		
154			遠洋萬和公館(成都)	Ocean Crown (Chengdu)		
155			遠洋棲棠(成都)	Ocean Habitat (Chengdu)		
156			青羊項目(成都)	Qingyang Project (Chengdu)		
157			成都遠洋太古里(成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)		
158			犀浦項目(成都)	Xipu Project (Chengdu)		
159		Kunming	呈貢大學城項目(昆明)	Chenggong Project (Kunming)		
160			呈貢大學城二期項目(昆明)	Chenggong Project, Phase II (Kunming)		
161			昆明空港項目(昆明)	Kunming Airport Project (Kunming)		
162	Other Region	Dalian	遠洋金馬杰座(大連)	Jinma Project (Dalian)		
163			遠洋鑽石灣(大連)	Ocean Diamond Bay (Dalian)		
164			紅星海世界觀(大連)	Ocean Worldview (Dalian)		
165			遠洋創智高地(大連)	Sino-Ocean Technopole (Dalian)	IT產業園一工業部分	IT Zone — Industrial
166			榮域(大連)	The Place of Glory (Dalian)	中華路3號地	Zhonghua Road Land Plot #3
167			小窑灣項目(大連)	Xiaoyao Bay Project (Dalian)		
168			中華路2號地(大連)	Zhonghua Road Plot #2 (Dalian)	遠洋温德姆至尊豪庭大酒店	Wyndham Grand PlazaRoyale Sino-Ocean
169		Shenyang	百利保大廈(瀋陽)	Bailibao Plaza (Shenyang)		
170			遠洋大河宸章項目(瀋陽)	Grand Canal Milestone (Shenyang)		
171			遠洋天地(瀋陽)	Ocean Paradise (Shenyang)		
172			裕沁碧苑項目(瀋陽)	Yuqin Biyuan Project (Shenyang)		
173		Changchun	遠洋戛納小鎮(長春)	Ocean Cannes Town (Changchun)	長春淨月項目	Jingyue Project
174			遠洋錦唐(長春)	Orient Palace (Changchun)	市經開區元亨地塊	Jingkai District Plot Yuanheng
175		Qingdao	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
176			遠洋自然(青島)	Ocean Seasons (Qingdao)		
177			膠州市興正元項目(青島)	Xingzhengyuan Project, Jiaozhou (Qingdao)		
178		Sanya	紅塘灣項目(三亞)	Hongtang Bay Project (Sanya)		
179			遠洋山海(三亞)	Ocean Treasure (Sanya)		
180		Haikou	遠洋華墅(海口)	Ocean Zen House (Haikou)	遠洋浮木陣	Ocean Driftwood Array
181		Taiyuan	小店區省檢項目(太原)	Shengjian Project, Xiaodian District (Taiyuan)		
182		Zhengzhou	新鄭市龍湖鎮107國道項目 (鄭州)	107 Road Project, Longhu Town (Zhengzhou)		
183			綠博113號地(鄭州)	Lvbo Plot 113 (Zhengzhou)		
184			永之興冷鏈物流項目(鄭州)	Yongzhixing Cold Chain Logistics Project (Zhengzhou)		
185		Xiamen	翔安區2017XP02地塊(廈門)	Plot 2017XP02, Xiang'an District (Xiamen)		
186			翔安區2017XP03地塊(廈門)	Plot 2017XP03, Xiang'an District (Xiamen)		
187	USA		北卡羅萊納州項目(美國)	North Carolina Project (USA)		
188			三藩市項目(美國)	San Francisco Project (USA)		