远洋地产
SINO-OCEAN

遠洋地産控股有限公司

Sino-Ocean Land Holdings Limited

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

(Stock Code: 03377)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

HIGHLIGHTS

- Revenue up 66% to RMB7,904 million in the first half of 2011
- Gross profit increased substantially by 94% to RMB 2,340 million with gross profit margin increased from 25% to 30%, up 5% points compared to the corresponding period in 2010
- Profit attributable to equity holders of the Company amounted to RMB1,096 million with earnings per share of RMB0.15
- Total contracted sales amount up 49% to RMB12,348 million with unbooked contracted sales to be recognized amounted to RMB25.5 billion
- Total assets up 5% to RMB97,761 million
- As at 30 June 2011, cash resources amounted to RMB12,194 million
- Equity attributable to equity holders of the Company increased by 11% to RMB 34,391 million
- Our landbank reached approximately to 24 million sq.m.
- Declared interim dividend of HKD0.05 per share

The Board of Directors (the "Board") of Sino-Ocean Land Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("our Group" or "We") for the six months ended 30 June 2011.

Review of the Interim Results

In the six months ended 30 June 2011 our Group's turnover was RMB7,904 milion, 66% higher than the same period last year. Gross profit was RMB2,340 million, rising by 94% compared to the same period last year while the gross profit margin increased from 25% to 30%. Profit attributable to equity holders of the Company reached RMB1,096 million, yielding earnings per share of RMB0.15.

With reference to the profit attributable to the equity holders of the Company for the period under review, the Board is pleased to declare an interim dividend for the six months ended 30 June 2011 of HK$0.05 per share.

Market Review and Outlook

While the global economy was still recovering in the first half of the year, the prices of international commodities continued to rise and many countries around the world faced the pressure of increasing interest rate. We believe that the recovery of global economy in the latter half of the year will still be tested. The wait-and-see sentiments built up among international investors persisted. At the same time, the GDP growth in China slowed down while CPI kept reaching record high, thus deepened the inflation pressures. The People's Bank of China had already increased the deposit-reserve ratio six times and interest rate three times, prolonging the 2010 tightening monetary policy.

The macro control measures policy on property market were effective and over-heating of property prices in most cities was effectively curbed. However, property investment and sales during the period were still quite active. Total investment in property development in the PRC reached RMB2.625 trillion and sales of commodity properties amounted to RMB2.459 trillion, rising by 32.9% and 24.1% respectively compared to the same period last year. In the meantime, the majority of the top 20 property enterprises in terms of sales recorded growth rates of 40% or even higher, way ahead of the industry's mean 24%, taking up a market share of 18%, 5% higher than 2010, indicating a clear market consolidation.

Our Group believes that both domestic and global environments will remain complex and uncertain. Macro control measures towards the China property market will continue. There is tightening of credit and purchase on one hand, and pressure on selling price resulting from higher stock level on the other. As a result of the rapid growth of property markets in second and third-tier cities, it is expected that the macro measures will be more stringent and the implementation scope and vigor of purchase restrictions policy will be widened. In the second half of the year, purchase restrictions policy may be imposed on cities where property prices are escalating rapidly. Nonetheless, according to the national plan of various cities functions announced in June, it is revealed that the government will support the development of second and third-tier cities through urbanization strategies. In the long run, there is huge potential for the property market development in these cities. It can be expected that there will be a positive trend in the long term China property market, although it is subjected to short term turbulence.

Financial Review

The following table sets forth our revenue breakdown for the six-month periods ended 30 June 2011 and 2010.

(RMB million)	**First half 2011**	First half 2010	YoY (%)
Property development	**7,318**	4,443	65%
Property investment	**157**	95	65%
Property management	**155**	113	37%
Other real estate related businesses	**274**	102	169%
Total	**7,904**	4,753	66%

The cost of property development mainly comprised of land cost and construction cost, which together accounted for 80% of our Group's total cost of sales during this period. Excluding car parks, average land cost per sq.m. of the property development business for the period under review was approximately RMB2,653 (first half of 2010: RMB3,159). The decrease was due to the higher portion of GFA sold and delivered in the first half of 2011 coming from projects of second tier cities. Average construction cost (excluding car parks) for property development was approximately RMB4,200 per sq.m for the period under review which remains comparable to the last period.

Gross profit for the period under review amounted to RMB2,340million, representing a 94% increase compared to the corresponding period in 2010. Gross profit margin increased from 25% in the first half of 2010 to 30% in the first half of 2011.

Other income increased by 73% to RMB189 million for the six months ended 30 June 2011, as compared to RMB109 million for the same period in 2010. Other income included income from investment on financial assets, interest income and other non-operating income.

Selling and marketing costs for the first half of 2011 were RMB251 million, representing a 59% increase compared to RMB158 million of the corresponding period in 2010. These costs, however, accounted for only approximately 2% of the total contracted sales amount for the first half of 2011, the same as 2010.

Administrative expenses increased by 26% to RMB196 million in the first half of 2011 (first half of 2010: RMB156 million). Overall administrative expenses only represented 2.5% of total revenue (first half of 2010: 3.3%) and 1.6% of contracted sales (first half of 2010: 1.9%) during the period under review.

The average interest rate has increased from 5.09% to 6.26% for the first half of 2011. The increase in interest expenses was due to the overall increase in average cost of fund for the current period and there was approximately RMB97 million interest unable to be capitalised, compared to RMB31 million approximately for the period ended 30 June 2010.

The aggregate of enterprise income tax and deferred tax increased by 37% to RMB456 million during the first half of 2011 (first half of 2010: RMB334 million). Land appreciation tax for the same period increased to RMB419 million, a significant rise compared to the amount of RMB114 million for the same period in 2010.

Profit attributable to equity holders of the Company recorded a decline of 5% to RMB1,096 million, as compared to RMB1,152 million for the first half of 2010.

As at 30 June 2011, our Group had total cash resources (the aggregate of cash and cash equivalents and restricted bank deposits) of RMB12.2 billion and current ratio of 2.2 times. Together with the unutilized credit facilities of about RMB27.6 billion. The total funds that will be available for operation and expansion amounted to approximately RMB39.8 billion as at 30 June 2011. All these proved that our Group is financially sound and is having ample financial resources and an adaptable financial management policy to meet our business expansion.

As at 30 June 2011, our net gearing ratio (total borrowings less cash resources divided by equity attributable to holders of the Company) remained at stable level of 47% (31 December 2010: 46%).

Business Review

Property Development

1) **Recognized Sales**

   Revenue from property development business grew by 65% for the first half of 2011 to RMB7,318 million, compared to RMB4,443 million for the corresponding period in 2010. The growth in revenue from property development business was mainly due to the increase of saleable GFA delivered from approximately 422,000 sq.m. in the first half of 2010 to approximately 681,000 sq.m. in the first half of 2011. Average selling price delivered (excluding car parks) remained flat at approximately RMB11,000 per sq.m. in the first six months of 2011 compared to RMB11,210 sq.m. in the corresponding period in 2010.

Revenue and saleable GFA delivered from each project during the first half of 2011 were as follows:

Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Express	44	2,491	17,700	100%
	Ocean Great Harmony	222	6,028	36,800	100%
	Ocean Landscape	18	1,227	14,700	100%
	Ocean Landscape Eastern Area	45	3,109	14,500	100%
	Ocean Office Park	27	815	33,500	100%
	Ocean Seasons	125	18,771	6,700	70%
	Poetry of River	2,016	178,187	11,300	100%
Dalian	Ocean Prospect	365	19,853	18,400	100%
	Ocean Worldview	803	43,692	18,400	100%
	Chanson Garden	18	4,229	4,400	100%
Qinhuangdao	Wan Hai Yi Hao	66	10,003	6,600	100%
Sanya	Ocean Mansion	505	24,260	20,800	70%
Shenyang	Ocean Paradise	227	33,408	6,800	100%
Tianjin	Ocean City	1,122	131,122	8,600	100%
	Ocean Express	341	27,473	12,400	97.05%
	Ocean Paradise	4	316	12,500	96.99%
Zhongshan	Ocean City	1,249	148,544	8,400	100%
Subtotal		7,197	653,528	11,000	
Car parks (various projects)		121	27,161	4,400	
Total		**7,318**	**680,689**	**10,800**	

2) Contracted Sales

Our contracted sales during the six months ended 30 June 2011 amounted to RMB12,348 million, representing an approximately 49% increase compared to RMB8,303 million for the corresponding period in 2010. The increase was due to (i) the higher GFA sold for the first half of 2011 which went up by 33% to 835,609 sq.m. (first half of 2010: 625,955 sq.m.); (ii) the average selling price has increased by 12% to RMB15,400 per sq.m. (first half of 2010: RMB13,706 per sq.m.) excluding car parks and by 12% to RMB14,800 per sq.m. (first half of 2010: RMB13,265 per sq.m.) including car parks.

As at 30 June 2011, our Group's unbooked contracted sales to be recognized amounted to RMB25.5 billion, providing a strong and solid foundation for our Group's future revenue growth.

The following table sets forth the information regarding the contracted sales amounts and the saleable GFA sold by projects during the first half of 2011:

Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Express	44	2,491	17,700	100%
	Ocean Great Harmony	2,425	72,063	33,700	100%
	Ocean Landscape	14	1,033	13,200	100%
	Ocean Landscape Eastern Area	331	11,768	28,100	100%
	Ocean Manor	342	15,938	21,400	100%
	Ocean Office Park	27	815	33,500	100%
	Ocean Oriental	316	19,005	16,600	100%
	Poetry of River	1,913	89,393	21,400	100%
	The Place	10	549	17,800	100%
Chengdu	Ocean Langjun	334	42,801	7,800	51%
Dalian	Ocean Plaza	1,383	107,425	12,900	100%
	Ocean Prospect	48	2,049	23,200	100%
	Ocean Seasons	105	6,011	17,500	100%
	Ocean Times	575	79,083	7,300	100%
	Ocean Holiday Manor	71	6,353	11,200	100%
	Ocean Worldview	823	59,216	13,900	100%
	Chanson Garden	3	1,087	2,800	100%
Hangzhou	Ocean Manor	578	15,871	36,400	51%
Qinhuangdao	Wan Hai Yi Hao	32	4,712	6,800	100%
Sanya	Ocean Mansion	360	14,386	25,000	70%
Shenyang	Ocean Paradise	485	48,700	10,000	100%
Tianjin	Ocean City	381	42,165	9,000	100%
	Ocean Express	321	27,547	11,600	97.05%
	Ocean Great Harmony	122	9,228	13,200	100%
	Ocean Paradise	4	316	12,500	96.99%
Wuhan	Ocean World	37	7,273	5,100	55%
Zhongshan	Ocean City	942	93,318	10,100	100%
Subtotal		12,026	780,596	15,400	
Carparks (various projects)		322	55,013	5,900	
Total		**12,348**	**835,609**	**14,800**	

3) Construction Progress

Total GFA under construction and total saleable GFA completed in the first half of 2011 was approximately 7,200,000 sq.m. and 840,000 sq.m., which went up by 213% and 124% respectively compared to the corresponding period in 2010. According to our usual construction cycle, we will have more GFA completed in the second half of the year. According to our construction plan, we expect to complete construction of about 1,350,000 sq.m. during the second half of 2011.

4) Landbank

Our landbank increased by 16% to 23,898,000 sq.m. as at 30 June 2011 (31 December 2010: 20,608,000 sq.m.); while landbank with attributable interest increased to 20,985,000 sq.m. (31 December 2010: 18,588,000 sq.m.). During the first half of 2011, we acquired 7 plots of land with total GFA of 3,306,000 sq.m. and attributable interest of 2,507,000 sq.m. These newly acquired plots are located in Fushun, Hangzhou, Qingdao, Shanghai, Zhenjiang and Zhongshan with approximate GFA of 1,216,000 sq.m., 159,000 sq.m., 147,000 sq.m., 458,000 sq.m., 829,000 sq.m. and 497,000 sq.m., respectively. The average land cost per sq.m. for our landbank as at 30 June, 2011 was approximately RMB 2,904 compared to RMB 3,157 as at 31 December 2010.

The following table set forth the landbank located in various cities as at 30 June 2011:

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
Beijing	Beijing	CBD Plot Z6	222,000	220,000	220,000	80%
		INDIGO	295,000	264,000	295,000	50%
		Ocean Crown	211,000	152,000	211,000	100%
		Ocean Great Harmony	353,000	312,000	118,000	100%
		Ocean Great Harmony Plot C Project	67,000	67,000	67,000	100%
		Ocean LA VIE	273,000	203,000	273,000	85.72%
		Ocean Landscape Eastern Area	529,000	456,000	236,000	100%
		Ocean Landscape Eastern Area E02/03 Project	103,000	103,000	103,000	100%
		Ocean Manor	268,000	232,000	268,000	100%
		Ocean Oriental	175,000	150,000	175,000	100%
		Ocean Palace	435,000	338,000	435,000	100%
		Poetry of River	790,000	704,000	438,000	100%
		The Place	102,000	85,000	102,000	100%
Pan-Bohai Rim	Changchun	Ocean Cannes Town	1,115,000	1,039,000	1,115,000	51%
	Dalian	Ocean Diamond Bay	2,422,000	1,977,000	2,422,000	90%
		Ocean Holiday Manor	409,000	388,000	409,000	100%
		Ocean MIDTOWN	92,000	75,000	92,000	100%
		Ocean Plaza	293,000	275,000	293,000	100%
		Ocean Prospect	178,000	159,000	23,000	100%
		Ocean Seasons	138,000	119,000	138,000	100%
		Ocean TIMES	567,000	510,000	567,000	100%
		Ocean Worldview	1,937,000	1,730,000	1,614,000	100%
		Sino-Ocean Technopole	922,000	596,000	922,000	100%
		Wyndham Grand Plaza Royale Sino-Ocean	111,000	54,000	111,000	100%
		Xiaoyao Bay Project	219,000	175,000	219,000	100%
	Fushun	Jiangjungou Project	1,216,000	1,154,000	1,216,000	65%
	Qingdao	Ocean Honored Chateau	136,000	108,000	136,000	100%
		Ocean Prospect	148,000	109,000	148,000	100%
		Ocean Seasons	147,000	111,000	147,000	100%
	Qinhuangdao	Ocean Century	1,470,000	1,373,000	1,470,000	100%
		Wan Hai Yi Hao	39,000	39,000	20,000	100%
	Shenyang	Ocean Paradise	718,000	690,000	476,000	100%
		Ocean Residence	187,000	165,000	187,000	100%

The following table set forth the landbank located in various cities as at 30 June 2011 (Continued):

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
	Tianjin	Ocean City	2,293,000	2,100,000	1,967,000	100%
		Ocean Express	337,000	313,000	189,000	97.05%
		Ocean Great Harmony	343,000	324,000	343,000	100%
		Ocean International Center	147,000	107,000	147,000	96.99%
		Ocean Paradise	310,000	294,000	18,000	96.99%
		Ocean Prospect	316,000	298,000	316,000	90%
Yangtze River Delta	Hangzhou	Canal Business Center	866,000	480,000	866,000	51%*
		Grand Canal Milestones	208,000	141,000	208,000	70%
		Pufu Project	159,000	109,000	159,000	100%
	Shanghai	BOND CASTLE	90,000	90,000	90,000	100%
		Ocean Mansion No.7	111,000	100,000	111,000	100%
		Yanghangzhen Project	347,000	328,000	347,000	100%
	Zhenjiang	Ocean Bank of Seine	829,000	790,000	829,000	55%
Pearl River Delta	Zhongshan	Henglan Project	497,000	487,000	497,000	100%
		Ocean City	1,982,000	1,836,000	1,345,000	100%
Along Yangtze River	Chengdu	Dacisi Project	258,000	258,000	258,000	50%
		Ocean Langjun	155,000	137,000	155,000	51%
	Chongqing	Sino-Ocean International GOLF Resort	581,000	496,000	581,000	85%
	Huangshan	An Island Paradise	153,000	153,000	153,000	100%
	Wuhan	Ocean Manor	88,000	81,000	88,000	55%
		Ocean World	416,000	403,000	416,000	55%
Hainan	Haikou	Ocean Driftwood Array	108,000	87,000	108,000	70%
	Sanya	Ocean Mansion	54,000	49,000	27,000	70%
		Tang Di Project	14,000	12,000	14,000	52.50%
	Total		**26,949,000**	**23,605,000**	**23,898,000**	

* *Deemed disposal of 49% interest and recognized such movement in equity*

Property Investment

Revenue from property investment increased significantly to RMB157 million during the first half of 2011 (first half of 2010: RMB95 million). The rise in rental income was mainly due to higher per sq.m. rental level and occupancy rate for Ocean International Center Block A and Ocean Office Park in Beijing.

Employees and Human Resources

As at 30 June 2011, our Group had 6,592 employees (31 December 2010: 5,696), representing a 16% increase in headcount. We set up offices in several new cities which we have entered or intended to enter, including Fushun, Chongqing, Huangshan, Wuhan and Zhenjiang. The higher headcount is in line with our business expansion plan to support sales growth and increasing number of properties under construction in various cities across China.

The unaudited consolidated results of our Group for the six months ended 30 June 2011 are as follows:

Condensed Consolidated Interim Balance Sheet

	Note	**As at 30 June 2011 RMB'000 (Unaudited)**	As at 31 December 2010 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**223,509**	214,895
Land use rights		**9,600**	9,723
Investment properties		**4,838,572**	4,988,572
Goodwill		**642,119**	705,572
Interests in jointly controlled entities		**674,954**	687,826
Interests in associates		**390,857**	397,458
Available-for-sale financial assets		**638,277**	433,886
Trade and other receivables	4	**88,234**	85,367
Deferred income tax assets		**968,268**	814,244
Total non-current assets		**8,474,390**	8,337,543
Current assets			
Deposits for land use rights		**10,487,719**	18,825,060
Properties under development		**56,597,999**	41,393,331
Inventories, at cost		**391,177**	231,280
Land development cost recoverable		**2,549,153**	2,439,138
Completed properties held for sale		**2,602,855**	2,648,568
Available-for-sale financial assets		**232,663**	181,663
Other investment		**26,877**	43,707
Financial assets at fair value through profit or loss		**80,126**	29,101
Trade and other receivables	4	**3,964,262**	3,566,474
Restricted bank deposits		**2,482,356**	1,057,378
Cash and cash equivalents		**9,711,750**	13,977,211
		89,126,937	84,392,911
Assets classified as held for sale		**159,833**	—
Total current assets		**89,286,770**	84,392,911
Total assets		**97,761,160**	92,730,454

Condensed Consolidated Interim Balance Sheet (Continued)

	Note	**As at 30 June 2011 RMB'000 (Unaudited)**	As at 31 December 2010 RMB'000 (Audited)
EQUITY			
Equity attributable to equity holders of the Company			
Share capital and premium		**20,234,104**	20,121,412
Shares held for Restricted Share Award Scheme		**(128,631)**	(95,986)
Reserves		**12,038**	(226,865)
Capital securities		**2,532,866**	—
Convertible securities		**5,969,279**	5,970,266
Retained earnings			
– proposed dividends		**232,544**	379,758
– others		**5,538,783**	4,922,121
		34,390,983	31,070,706
Non-controlling interests		**3,451,378**	2,055,098
Total equity		**37,842,361**	33,125,804
LIABILITIES			
Non-current liabilities			
Borrowings		**18,216,497**	19,276,159
Deferred income tax liabilities		**1,268,066**	1,351,372
Total non-current liabilities		**19,484,563**	20,627,531
Current liabilities			
Borrowings		**10,252,224**	9,920,123
Trade and other payables	**5**	**9,158,814**	10,831,635
Advances from customers		**19,097,285**	16,234,852
Current income tax liabilities		**1,886,654**	1,990,509
		40,394,977	38,977,119
Liabilities directly associated with assets classified as held for sale		**39,259**	—
Total current liabilities		**40,434,236**	38,977,119
Total liabilities		**59,918,799**	59,604,650
Total equity and liabilities		**97,761,160**	92,730,454
Net current assets		**48,852,534**	45,415,792
Total assets less current liabilities		**57,326,924**	53,753,335

Condensed Consolidated Interim Income Statement

	Note	**Unaudited Six months ended 30 June** **2011 RMB'000**	2010 RMB'000
Continuing Operations:			
Revenue	6	**7,904,485**	4,753,217
Cost of sales		**(5,563,997)**	(3,547,088)
Gross profit		**2,340,488**	1,206,129
Interest and other income		**189,106**	109,028
Other (losses)/gains - net	7	**(628)**	183,100
Fair value gain on investment properties		**—**	462,949
Selling and marketing expenses		**(251,355)**	(157,685)
Administrative expenses		**(195,667)**	(155,702)
Operating profit		**2,081,944**	1,647,819
Finance costs		**(97,100)**	(30,534)
Share of losses of jointly controlled entities		**(4,716)**	(1,459)
Share of losses of associates		**(6,601)**	(6,002)
Profit before income tax		**1,973,527**	1,609,824
Income tax expense	8	**(875,570)**	(448,027)
Profit from continuing operations		**1,097,957**	1,161,797
Loss from discontinued operations		**—**	(5,378)
Profit for the period		**1,097,957**	1,156,419
Profit attributable to:			
Equity holders of the Company		**1,096,066**	1,152,099
Non-controlling interests		**1,891**	4,320
		1,097,957	1,156,419
Basic earnings per share for profit/(loss) attributable to equity holders of the Company (expressed in RMB)			
– Continuing operations	9	**0.154**	0.205
– Discontinued operations	9	**—**	(0.001)
		0.154	0.204
Diluted earnings per share for profit/(loss) attributable to equity holders of the Company (expressed in RMB)			
– Continuing operations	9	**0.154**	0.205
– Discontinued operations	9	**—**	(0.001)
		0.154	0.204
Interim dividends	10	**232,544**	245,904

Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2011 **RMB'000**	2010 RMB'000
Profit for the period	**1,097,957**	1,156,419
Other comprehensive losses:		
Fair value losses on available-for-sale financial assets	**(32,870)**	(95,507)
Currency translation differences	**(14,676)**	(5,135)
Other comprehensive losses for the period	**(47,546)**	(100,642)
Total comprehensive income for the period	**1,050,411**	1,055,777
Total comprehensive income attributable to:		
- Equity holders of the Company	**1,048,520**	1,051,457
- Non-controlling interests	**1,891**	4,320
	1,050,411	1,055,777
Total comprehensive income attributable to equity holders of the Company arises from:		
- Continuing operations	**1,048,520**	1,056,835
- Discontinued operations	**—**	(5,378)
	1,048,520	1,051,457

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 General information

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

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

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

This condensed consolidated interim financial information are presented in Renminbi (''RMB''), unless otherwise stated.

This condensed consolidated interim financial information has not been audited and was approved by for issue on 18 August 2011 by the Board of directors of the Company.

Key events

The operational highlight of the period was the acquisition of additional 30% interests in Chongqing Golf Club Company Limited, a real estate company, as well as the disposal of 49% interests in Poly Link Management Limited and Chengdu Tongyi Real Estate Company Limited. All of these changes in ownership interests have not resulted in changes of control.

On 12 May 2011, Gemini Investments (Holdings) Limited, a subsidiary of the Group announced the disposal of Klendo Limited, a 90% owned subsidiary of the Company.

On 13 May 2011, the Group successfully issued and listed certain perpetual subordinated capital securities on the Singapore Exchange Securities Trading Limited.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2011 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"). This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

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

The following revised standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning on 1 January 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKAS 34 (Amendment)	Interim Financial Reporting
HKAS 32 (Amendment)	Classification of rights issues
HK (IFRIC) int-14 (Amendment)	Prepayments of a minimum funding requirement

In addition, the HKICPA also issued its third improvements to HKFRS in May 2010. All improvements are effective in the financial year of 2011.

The adoption of the above revised standards, amendments to standards and interpretations does not have any significant impact to the results and financial position of the Group for the six months ended 30 June 2011.

There are certain other new standards and amendments to standards that are not yet effective for the financial year beginning on 1 January 2011 and have not been early adopted. Management is currently assessing their related impacts to the Group.

4 Trade and other receivables

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Trade receivables	**34,658**	71,562
Amounts due from customers for contract work	**157,247**	33,392
Less: provision for impairment of receivables	**(4,555)**	(6,051)
Trade receivables - net (a)	**187,350**	98,903
Prepayments for acquisition	**—**	51,000
Prepaid tax - income tax	**690,785**	567,954
Prepaid tax - others	**1,038,878**	886,796
Entrusted loan to third parties (b)	**414,500**	427,000
Entrusted loan to an associate (c)	**351,104**	337,239
Notes receivables (d)	**197,849**	202,543
Receivable from disposal of subsidiaries (e)	**115,465**	199,828
Amounts due from a jointly controlled entity	**197,765**	285,356
Receivable from disposal of land use rights	**152,676**	—
Other deposits and prepayments	**290,850**	270,006
Other receivables	**415,274**	325,216
	4,052,496	3,651,841
Less: non-current portion	**(88,234)**	(85,367)
Current portion	**3,964,262**	3,566,474

(a) Ageing analysis of trade receivables and amounts due from customers for contract work at the respective balance sheet dates are as follows:

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Less than 6 months	**164,788**	71,230
6 months to 1 year	**20,171**	19,544
1 year to 2 years	**5,160**	5,697
2 years to 3 years	**1,272**	3,294
Over 3 years	**514**	5,189
	191,905	104,954

(b) As at 30 June 2011, entrusted loans amounting to RMB414,500,000 (31 December 2010: RMB427,000,000) represent amounts lent to certain third parties. These balances are secured by respective share capital of the third parties, interest bearing from 4.86% to 12% (31 December 2010: from 4.86% to 12%), and are repayable on demand.

(c) Entrusted loans to an associate are unsecured, interest bearing at rate 5.31% (2010: 5.31%) and are repayable before 9 March 2012.

(d) On 8 January 2008, the Group subscribed notes receivables with an aggregate principal amount of USD30 million (the "Notes") from an independent third party. The Notes will be converted into shares of the issuer, at a conversion price calculated based on the terms as predetermined in the Notes, should the issuer successfully go on its initial public offering within 36 months from the subscription date. At any time after the 36th month from the subscription date, should the issuer failed to go on its initial public offering, the Group has an option to elect to receive USD30 million in cash, with respective interest calculated at a rate as predetermined in the Notes.

As at 30 June 2011, the Group, together with other subscribers of the Notes, was in arrangement with the issuer for repayments of the principal of the Notes, as well as respective interests. As at the date of this report, such arrangement for repayment is still in progress.

(e) In October 2009, Moral King International Limited ("Moral King"), a wholly owned subsidiary, acquired 52,840,000 ordinary shares of Glorious Property Holding Limited ("Glorious"), a company incorporated in the Cayman Islands on 27 July 2007, and whose shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited, at price of HKD4.4 per share, totalling RMB206,872,000.

On 31 December 2010, the Group disposed of its entire investment in Glorious through disposals of subsidiaries to Win Powerful Investment Limited, an independent third party company incorporated in the British Virgin Islands, at a consideration approximated to the original cost of investment by the Group, totalling RMB199,828,000. The remaining consideration was due to be received in full by 31 December 2011.

5 Trade and other payables

	As at 30 June 2011 RMB'000 (Unaudited) RMB'000	As at 31 December 2010 RMB'000 (Audited) RMB'000
Trade payables (a)	**4,016,129**	3,612,571
Accrued expenses	**895,697**	597,312
Distribution payable (b)	**196,595**	204,017
Advances received from a shareholder (c)	**1,670,198**	1,724,493
Considerations received in respect of partial disposal of equity interests in a subsidiary (d)	**—**	1,300,000
Consideration payable (e)	**150,000**	455,800
Loans from non-controlling interests (f)	**672,044**	—
Other payables	**1,186,516**	2,426,846
Other tax	**302,557**	451,607
Provision for financial guarantee liabilities	**69,078**	58,989
	9,158,814	10,831,635

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

(a) Trade payables mainly comprise accrued construction costs and provision for guarantee liabilities. The ageing analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2011 RMB'000 (Unaudited)	As at 31 December 2010 RMB'000 (Audited)
Less than 6 months	**2,202,203**	2,802,237
6 months to 12 months	**1,448,757**	530,425
1 year to 2 years	**294,049**	233,748
2 years to 3 years	**46,056**	30,860
Over 3 years	**25,064**	15,301
	4,016,129	3,612,571

(b) The Group had not elected to defer distribution payments for its convertible securities for the semi-annual period ended 27 July 2011, and such distribution had been fully settled as at the date of the approval of these financial statements.

(c) On 21 November 2010, the Group entered into a co-operation agreement with Nan Fung, a major shareholder of the Company, in respect of the establishment of a series of joint ventures for the development of certain commercial property projects. The total investment amount in relation to the establishment of the joint ventures will be approximately USD 650,000,000.

The actual formation of these joint ventures is in progress as at the date of this report, and is expected to be completed by 2011.

(d) On 31 December 2010, Sino-Ocean Land (Hong Kong) Limited ("SOLHK"), a wholly owned subsidiary of the Group, entered into a Co-operation Agreement (the "agreement") with Greentown China Holdings Limited ("Greentown") and Zhejiang Railway Investment Group Limited ("Railway"), both independent third parties.

Pursuant to the agreement, SOLHK agreed to dispose 24.5% equity interest of Poly Link Management Limited ("Poly Link"), a wholly owned subsidiary of the Group, to Greentown and Railway each. Total consideration received for the disposal amounted to RMB 1,623,704,000.

(e) Consideration payable as at 30 June 2011 and 31 December 2010 represents amounts payable to the non-controlling interests of a subsidiary for an acquisition of land.

(f) Loans from non-controlling interests are unsecured, bear interests at the rate from nil to 12% per annum, and are repayable on demand.

6 Segment information

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

Unaudited

	Property development				Investment property	Total	All other Businesses	Inter-company elimination	Discontinued operations	Group total
	Beijing	Tianjin	North-east	Others						
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2011										
Total segment revenue	**2,636,020**	**1,468,129**	**1,443,949**	**1,833,922**	**160,060**	**7,542,080**	**1,318,054**	**–**	**–**	**8,860,134**
Inter-segment revenue	**(63,620)**	**–**	**–**	**–**	**(2,723)**	**(66,343)**	**(889,306)**	**–**	**–**	**(955,649)**
Revenue (from external customers)	**2,572,400**	**1,468,129**	**1,443,949**	**1,833,922**	**157,337**	**7,475,737**	**428,748**	**–**	**–**	**7,904,485**
Segment operating profit	**838,362**	**446,569**	**437,245**	**498,200**	**117,436**	**2,337,812**	**229,916**	**(378,590)**	**–**	**2,189,138**
Depreciation and amortization	**(776)**	**(788)**	**(3,357)**	**(3,658)**	**(221)**	**(8,800)**	**(17,424)**	**–**	**–**	**(26,224)**
Goodwill impairment	**–**	**(6,829)**	**–**	**(56,624)**	**–**	**(63,453)**	**–**	**–**	**–**	**(63,453)**
Income tax expense	**(297,944)**	**(170,418)**	**(157,296)**	**(242,719)**	**9,214**	**(859,163)**	**(16,407)**	**–**	**–**	**(875,570)**
Finance income	**49,928**	**51,408**	**137,925**	**46,201**	**3,590**	**289,052**	**38,037**	**(325,642)**	**–**	**1,447**
Six months ended 30 June 2010										
Total segment revenue	2,702,278	377,671	830,952	532,410	98,024	4,541,335	473,820	–	17,113	5,032,268
Inter-segment revenue	–	–	–	–	(3,359)	(3,359)	(258,579)	–	–	(261,938)
Revenue (from external customers)	2,702,278	377,671	830,952	532,410	94,665	4,537,976	215,241	–	17,113	4,770,330
Segment operating profit	645,737	38,410	212,148	127,217	63,342	1,086,854	367,598	(134,687)	(1,119)	1,318,646
Depreciation and amortization	(3,762)	(601)	(3,286)	(1,885)	(1,016)	(10,550)	(5,679)	–	(1,844)	(18,073)
Goodwill impairment	–	(1,945)	–	(24,566)	–	(26,511)	–	–	–	(26,511)
Income tax expense	(94,347)	(9,799)	(110,686)	(121,955)	(11,132)	(347,919)	(100,108)	–	–	(448,027)
Finance income	39,232	14,517	56,895	21,742	1,555	133,941	60,252	(161,844)	–	32,349

	Unaudited								
	Property development				Investment		All other	Inter-company	
	Beijing	Tianjin	North-east	Others	property	Total	Businesses	elimination	Group total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2011 (Unaudited)									
Total segment assets	**33,173,281**	**11,106,668**	**29,811,078**	**29,323,144**	**5,656,446**	**109,070,617**	**22,470,563**	**(41,790,423)**	**89,750,757**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**492**	**1,389**	**2,156**	**7,124**	**48**	**11,209**	**24,264**	**—**	**35,473**
Total segment Liabilities	**12,608,028**	**3,228,557**	**8,950,415**	**11,248,022**	**1,083,010**	**37,118,032**	**19,663,261**	**(26,795,876)**	**29,985,417**
As at 31 December 2010 (Audited)									
Total segment assets	33,940,037	9,569,868	25,535,994	20,616,400	5,274,465	94,936,764	19,395,793	(34,540,220)	79,792,337
Additions to non-current assets (other than financial instruments and deferred tax assets)	140,124	3,101	10,381	42,715	299,298	495,619	37,707	—	533,326
Total segment Liabilities	16,232,942	3,661,878	7,428,596	9,087,159	1,202,665	37,613,240	15,198,662	(23,958,923)	28,852,979

7 Other (losses)/gains - net

	Unaudited Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Impairment loss on assets and associated liabilities classified as held for sale	**(23,280)**	—
Gain on disposal of a subsidiary	**—**	187,168
Negative goodwill from acquisition of a subsidiary	**—**	2,512
Gain on trading of financial assets at fair value through profit or loss	**10,283**	—
Fair value loss of financial assets at fair value through profit or loss	**(369)**	—
Loss on trading of other investment	**(860)**	
Fair value gain of other investment	**1,251**	—
Loss on disposal of property, plant and equipment	**(35)**	(516)
Exchange gain/(loss)	**27,347**	(6,064)
Other losses	**(14,965)**	—
	(628)	183,100

8 Income tax expense

Vast majority of the group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2011 and 2010. Other companies are mainly subjected to Hong Kong income tax.

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

	Unaudited Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Current income tax:		
- PRC enterprise income tax	**693,564**	256,944
- PRC land appreciation tax	**419,336**	114,139
Deferred tax	**(237,330)**	76,944
	875,570	448,027

9 Earnings per share

(a) Basic

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

	Unaudited Six months ended 30 June	
	2011	2010
Profit from continuing operations attributable to equity holders of the Company (RMB'000)	**1,096,066**	1,157,477
Distribution relating to convertible securities (RMB'000)	**(229,674)**	—
Profit used to determine basic earnings per share (RMB'000)	**866,392**	1,157,477
Weighted average number of ordinary shares in issue (thousands)	**5,615,630**	5,636,792
Basic earnings per share for profit from continuing operations attributable to equity holders of the Company (RMB per share)	**0.154**	0.205
Loss from discontinued operations attributable to equity holders of the Company (RMB'000)	**—**	(5,378)
Weighted average number of ordinary shares in issue (thousands)	**5,615,630**	5,636,792
Basic earnings per share for loss from discontinued operations attributable to equity holders of the Company (RMB per share)	—	(0.001)

(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 one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. Convertible securities of 374,278,000 shares when calculated on a weighted average basis were not included in the calculation of dilutive earnings per share because of their anti-diluted effect.

	Unaudited Six months ended 30 June	
	2011	2010
Profit from continuing operations attributable to equity holders of the Company (RMB'000)	**1,096,066**	1,157,477
Distribution relating to convertible securities (RMB'000)	**(229,674)**	—
Profit used to determine basic earnings per share (RMB'000)	**866,392**	1,157,477
Weighted average number of ordinary shares in issue (thousands)	**5,615,630**	5,636,792
Adjustment for:		
- share options (thousands)	**5,983**	8,724
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**5,621,613**	5,645,516
Diluted earnings per share for profit from continuing attributable to equity holders of the Company (RMB per share)	**0.154**	0.205
Loss from discontinued operations attributable to equity holders of the Company (RMB'000)	**—**	(5,378)
Weighted average number of ordinary shares in issue (thousands)	**5,615,630**	5,636,792
Adjustment for:		
- share options (thousands)	**5,983**	8,724
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**5,621,613**	5,645,516
Diluted earnings per share for loss from discontinued operations attributable to equity holders of the Company (RMB per share)	**—**	(0.001)

10 Dividends

On 18 August 2011, the Board has resolved to declare an interim dividend of RMB232,544,000 for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB245,904,000).

	Unaudited Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Final dividends paid	**376,076**	247,046
Interim dividends proposed	**232,544**	245,904

11 Event after balance sheet date

On 8 July 2011, Beijing Wanyang Shiji Chuangye Investment Management Limited ("Beijing Wanyang"), an indirect wholly-owned subsidiary of the Company, China Life Investment Holdings Limited and China Life Insurance Asset Management Company (together, "China Life"), subsidiaries of a substantial shareholder of the Company, and Beijing Vantone Real Estate Co., Ltd. ("Beijing Vantone") successfully bid for a piece of land located within the Central Business District (CBD) of Chaoyang District, Beijing, PRC. Total consideration of the land amounted to approximately RMB2,656,280,000, with a total area of 7,840 square meters.

A joint venture company is planned to be established between Beijing Wanyang, China Life and Beijing Vantone, for the development of such land. The actual formation of the joint venture is in progress as at the date of this report, and is expected to be completed by 2011.

Capital Securities

As announced by the Company on 6 May 2011, the perpetual subordinated capital securities callable 2016 (the "Capital Securities") were issued by a wholly-owned subsidiary of the Company, in an aggregate principal amount of USD400 million. The net proceeds from the issue of the Capital Securities were approximately USD388 million and were applied to finance new and existing projects (including construction costs, land costs and investment properties) and for general corporate purposes.

Restricted Share Award Scheme

As announced by the Company on 22 March 2010, the Board resolved to adopt the restricted share award scheme (the "Award Scheme") on 22 March 2010 (the "Adoption Date") as an incentive to retain and encourage the employees for the continual operation and development of our Group. Unless early terminated by the Board, the Award Scheme shall continue in full force and effect from the Adoption Date for a term of 10 years. According to the Award Scheme, the maximum number of shares to be purchased under the Award Scheme is 169,104,822 shares, representing 3% of the issued share capital of the Company as at the Adoption Date. The restricted shares will be purchased by the trustee from the market out of cash contributed by our Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme.

Up to 30 June 2011, the Company had through the trustee purchased 32,137,318 shares of the Company, representing 0.57% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HKD155 million (including transaction costs) approximately. During the six months ended 30 June 2011, a total of 16,991,200 shares of the Company were awarded to the directors and employees of the Group at no consideration, of which no share was vested. As at the date of this announcement, a total of 16,991,200 unvested shares have been held in trust by the trustee.

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

During the period under review, the Company repurchased 7,000,000 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of approximately HK$25 million. The repurchases were effected by the directors of the Company for enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration
		(HKD)	*(HKD)*	*(HKD million)*
June 2011	7,000,000	3.65	3.57	25

All 7,000,000 shares repurchased were cancelled upon delivery of the share certificates during the period under review.

Apart from the share repurchased as disclosed above and those set out above in the paragraph headed "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 Statements

The unaudited interim financial statements for the six months ended 30 June 2011 have been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the six months ended 30 June 2011.

Code on Corporate Governance Practices

In the opinion of the Board, the Company has complied with the provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules of the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2011, except for the deviation from the code A.2.1 of the CG Code with the explanation as below:

The code A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individuals.

Since Mr. Li Jianhong resigned as the chairman of the Company with effect from 23 March 2010, Mr. Li Ming was appointed as the chairman (the "Chairman") and remains as the chief executive officer of the Company (the "Chief Executive Officer"). The roles of the Chairman and the Chief Executive Officer have not been segregated as required under code A.2.1 of the CG Code, however, the Company considers that the combination of the roles of the Chairman and the Chief Executive Officer involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. There are four independent non-executive directors and three non-executive directors in the Board. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilities the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

Model Code for Securities Transactions by Directors of Listed Companies

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 for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries with all the directors of the Company and each of them has confirmed that he or she had complied with all required standard set out in the Code of Conduct.

Interim Dividend and Book Closure

The Board has declared an interim dividend of HKD0.05 per share (2010: HKD0.05 per share) to shareholders whose names appear on the Company's register of members on 16 September 2011. The interim dividend will be paid on or about 4 October 2011. The register of members of the Company will be closed from 14 September 2011 to 16 September 2011, 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 12 September 2011.

Publication of the Interim Results Announcement and the Interim Report on the Websites of the Stock Exchange and the Company

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (http://www.sinooceanland.com). The interim report for the six months ended 30 June 2011 will be despatched to shareholders on or before 14 September 2011 and will be available on the Company's and the Stock Exchange's websites in due course.

Appreciation

On behalf of the Board, I would like to take this opportunity to express our deepest gratitude to our shareholders, customers, local authorities and business partners for their sturdy support, and our staff for their devotion to the Company.

By Order of the Board
Sino-Ocean Land Holdings Limited
LI Ming
Executive Director

Hong Kong, 18 August 2011

As at the date of this announcement, the directors of the Company comprise:

Executive directors:	*Non-executive directors:*	*Independent non-executive directors:*
Mr. LI Ming	Ms. LIU Hui	Mr. TSANG Hing Lun
Mr. WANG Xiaoguang	Mr. YANG Zheng	Mr. GU Yunchang
Mr. CHEN Runfu	Mr. CHEUNG Vincent Sai Sing	Mr. HAN Xiaojing
		Mr. ZHAO Kang