远洋地产

SINO-OCEAN

遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

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

(Stock Code: 03377)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

HIGHLIGHTS

- Total contracted sales amount up 11% to RMB13,757 million achieving 51% of our whole year target
- Unbooked contracted sales to be recognized amounted to RMB37,132 million, up 45%
- Revenue and gross profit reached RMB6,759 million and RMB2,058 million in the first half of 2012, with gross profit margin maintained at approximately 30%
- Selling and marketing expenses, together with administrative expenses, only accounted for 4% of the total contracted sales
- Profit attributable to owners of the Company amounted to RMB1,206 million, increased 10% with earnings per share of RMB0.152
- Total assets up to RMB121.3 billion, equity attributable to owners of the Company amounted to RMB36,097 million, while net gearing ratio was at 62%
- As at 30 June 2012, cash resources amounted to RMB14,878 million. Net operating cashflow for the period recorded a positive cash inflow
- Declared interim dividend of HKD0.06 per share with a scrip dividend option

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 2012.

REVIEW OF THE INTERIM RESULTS

For the six months ended 30 June 2012, our Group recorded RMB6,759 million in revenue and RMB2,058 million in gross profit, representing decrease of 14% and 12%, respectively, compared to the same period last year, while gross profit margin maintained at 30%. Profit attributable to owners of the Company reached RMB1,206 million, representing a 10% growth compared to the same period last year. Earnings per share amounted to RMB0.152. Based on the profit attributable to owners of the Company for the interim period of 2012, the Board is pleased to propose an interim dividend of HKD0.06 per share for the six months ended 30 June 2012. The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the interim dividend wholly or partly by allotment of new shares credited as fully paid up in lieu of cash, subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of, and permission to deal in, the new shares to be issued pursuant thereto.

MARKET REVIEW AND OUTLOOK

Ongoing government regulatory measures have brought the PRC property market further down to the bottom in the first half of the year. GFA sales nationwide for the first quarter decreased by 13.6% as compared to the same period last year. This is partly attributable to the effect of conventional low season of the market in the first quarter. Besides, the potential buyers' anticipation for possible further declines in prices, and the government's implementation of market regulation as a long-term policy, were also considered as crucial factors. By the second quarter, the year-on-year decline rate for GFA sales nationwide was significantly narrowed down to 7.7%, reflecting the effective strategy adopted by developers to adjust down prices in return for higher sales volume, which stimulated the gradual unleash of previously restrained direct end user demand (first home purchase, first home upgrade, etc). In general, there was no dramatic price reverse in the first six months. The nationwide average selling price of commodity housing for the period from January to June was RMB5,834 per sq.m., representing a year-on-year increase of merely 5.4%. Even in June, among the 70 major medium/large cities in the PRC, only 11 reported a growth in average selling price on the year-on-year basis and among these 11 cities, the growth rates are all below 1.2%.

Market regulation has become a constant phenomenon in the PRC property market. The Central Government stuck to property market regulation without any leeway in the first half of the year, repeatedly emphasising its intention for stringent implementation of the macro-control policy. Meanwhile, under the guidance of differentiated treatment, a lot of local governments, with the endorsement of the Central Government, introduced measures such as housing provident fund loan adjustment and tax benefit for first home buyers, all in a bid to encourage purchases by end-users. In terms of monetary policy, the mandatory bank reserve ratio has been lowered twice (on 24 February and 18 May, respectively), while the interest-rate has been cut twice (on 8 June and 6 July, respectively), both contributing to the steady transaction volume pick-up in the market since May. Taking into account the government's regulatory policy, direct end user demand has become the major source for most transactions took place and is expected to remain as a dominating force in the market in the latter half of the year.

A stablising tendency is expected to appear in the PRC property market and the government's regulatory policy in the second half of the year, although the possibility of a return to austerity should not be ruled out. Any subtle changes in market anticipations and sentiments might have a bearing on property price movements and causing the government to tighten its regulatory measures again. Reports of expensively priced "prime sites" in cities such as Beijing, Guangzhou and Shanghai since June, coupled with prominent trends of growth in both volumes and prices in certain popular cities, along with the two interest-rate cuts within one month, have certainly provided reasons for rosy expectations. However, as discussed above, different from three years ago, rapid inflation of property prices is not likely to happen under the market conditions and government policies.

Over the coming years, the Company will have new investment properties with GFA of approximately 200,000 sq.m. per annum bringing into operation. The INDIGO (頤堤港) project in Beijing, a joint venture with Swire Properties, has reported satisfactory rental and occupancy rates after its commencement of operation. Apart from commercial property business, we are also making steady progress in the searching of potential new ventures such as retirement housing and real estate financing, in an active bid to achieve sustainable business development in the long run. Looking to the latter half of the year, we feel confident and also competent to create value to the shareholders by taking on every challenge and grasping every opportunity during market consolidation.

FINANCIAL REVIEW

(RMB million)	**First half 2012**	First half 2011	Change (%)
Property development	**5,707**	7,318	–22%
Property investment	**200**	157	27%
Property management	**219**	155	41%
Other real estate related businesses (including furnishing and decoration businesses)	**633**	274	131%
Total Revenue	**6,759**	7,904	–14%

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 (first half of 2011: 92%). Excluding car parks, average land cost per sq.m. of the property development business for the period under review was approximately RMB2,400 (first half of 2011: RMB2,700). Average construction cost per sq.m. (excluding car parks) for property development was approximately RMB5,500 for the period compared to RMB4,200 in the first half of 2011 which is due to the delivery of high end product, Ocean LA VIE (Beijing), during the period.

Gross profit for the period under review was RMB2,058 million, representing a 12% decrease, compared to the corresponding period in 2011. Gross profit margin remained stable at around 30%.

Other income for the six months ended 30 June 2012 amounted to RMB25.15 million (first half of 2011: RMB189 million) which comprised of income from investment on financial assets and interest income.

Selling and marketing expenses for the first half of 2012 were RMB247 million, as compared to RMB251 million of the corresponding period in 2011. These costs, however, accounted for only approximately 2% of the total contracted sales amount for the first half of 2012, the same as 2011.

For administrative expenses, the amount incurred for the first half of 2012 increased to RMB238 million (first half of 2011: RMB196 million) which represented 2% of the total contracted sales amount (first half of 2011: 2%).

The average interest rate has increased from 6.26% to 7.68% for the first half of 2012 leading to the total interest expenses paid or accrued to RMB1,332 million (first half of 2011: RMB745 million) of which RMB143 million (first half of 2011: RMB97.1 million) was not capitalised and charged through income statement.

The aggregate of enterprise income tax and deferred tax decreased by 18% to RMB376 million for the first half of 2012 (first half of 2011: RMB456 million), with effective tax rate of 29% (first half of 2011: 29%). In addition, consistent to the decrease in gross profit, land appreciation tax for the first half of 2012 dropped to RMB336 million (first half of 2011: RMB419 million), accounted for 16% of the gross profit in the first half 2012 (first half of 2011: 18%).

Profit attributable to owners of the Company increased by 10% to RMB1,206 million in the first half of 2012, compared to RMB1,096 million for the corresponding period last year.

As at 30 June 2012, our Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB14,878 million. Together with the unutilized credit facilities of about RMB19,297 million, our Group is ensured to be financially sound.

In terms of net gearing ratio, based on the total borrowings less cash resources divided by total equity minus minority interest, our Group's net gearing ratio was about 62% as at 30 June 2012.

BUSINESS REVIEW

Property Development

(1) Recognised sales

Revenue from property development business dropped by 22% for the first half of 2012 to RMB5,707 million, compared to RMB7,318 million for the corresponding period in 2011. Such decrease on revenue from property development business was mainly due to the lowered saleable GFA delivered from approximately 681,000 sq.m. in the first half of 2011 to approximately 423,000 sq.m. in the first half of 2012. Average selling price delivered (excluding car parks) inflated to approximately RMB14,100 per sq.m. in the first six months of 2012 compared to RMB11,000 per sq.m. in the corresponding period in 2011, which mainly contributed from the delivery of our high end product, Ocean La Vie (Beijing).

Revenue and saleable GFA delivered from each project during the first half of 2012 were as follows:

Cities	Projects	Revenue *(RMB million)*	Saleable GFA delivered *(sq.m.)*	Average selling price *(RMB/sq.m.)*	Interest attributable to our Group *(%)*
Beijing	Ocean Great Harmony	2	90	22,200	100%
	Ocean Landscape	11	675	16,300	100%
	Ocean Landscape Eastern Area	59	2,548	23,200	100%
	Ocean La Vie	1,052	16,296	64,600	85.72%
	Poetry Of River	873	44,150	19,800	100%
Dalian	Ocean Seasons	35	2,498	14,000	100%
	Ocean Worldview	539	41,216	13,100	100%
	Chanson Garden	1	138	7,200	100%
Qinhuangdao	Wan Hai Yi Hao	1	248	4,000	100%
Sanya	Ocean Mansion	225	11,445	19,700	70%
Shenyang	Ocean Paradise	544	62,213	8,700	100%
Tianjin	Ocean City	866	99,131	8,700	100%
	Ocean Express	160	17,617	9,100	97.05%
	Ocean Great Harmony	489	38,545	12,700	100%
Wuhan	Ocean Manor	126	16,072	7,800	55%
	Ocean World	44	8,361	5,300	55%
Zhongshan	Ocean City	517	31,552	16,400	100%
Subtotal		**5,544**	**392,795**	**14,100**	
Carparks		163	29,947	5,400	
Total		**5,707**	**422,742**	**13,500**	

(2) Contracted sales

Our contracted sales during the six months ended 30 June 2012 amounted to RMB13,757 million, representing an approximately 11% increase compared to RMB12,348 million for the corresponding period in 2011. GFA sold for the first half of 2012 went up by 45% to 1,214,000 sq.m. (first half of 2011: 836,000 sq.m.). As there were more projects and contribution from second-tier cities, the average selling price has decreased by 25% to RMB11,600 per sq.m. (first half of 2011: RMB15,400 per sq.m.) excluding car parks and by 24% to RMB11,300 per sq.m. (first half of 2011: RMB14,800 per sq.m.) including car parks. As at 30 June 2012, our Group's unbooked contracted sales to be recognized amounted to RMB37,132 million.

The following table sets forth the information regarding the contracted sales amounts and the saleable GFA sold by projects during the first half of 2012:

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 Crown	644	13,785	46,700	100%
	Ocean Great Harmony	30	627	47,800	100%
	Ocean Landscape	7	410	17,100	100%
	Ocean Landscape Eastern Area	10	595	16,800	100%
	Ocean La Vie	1,654	29,830	55,400	85.72%
	Ocean Manor	351	18,009	19,500	100%
	Ocean Oriental Mansion	540	40,892	13,200	100%
	Ocean Palace	249	9,081	27,400	100%
	Poetry Of River	272	15,190	17,900	100%
Changchun	Ocean Cannes Town	220	35,245	6,200	51%
Chongqing	Sino-Ocean International Golf Resort	145	21,263	6,800	85%
Dalian	Ocean Diamond Bay	1,600	110,798	14,400	90%
	Ocean Holiday Manor	229	25,312	9,000	100%
	Ocean Plaza	513	43,020	11,900	69.53%
	Ocean Prospect	2	106	18,900	100%
	Ocean Seasons	20	1,249	16,000	100%
	Ocean Times	454	68,493	6,600	100%
	Ocean Worldview	1,119	116,097	9,600	100%

Cities	Projects	Contracted sales amount *(RMB million)*	Saleable GFA sold *(sq.m.)*	Average selling price *(RMB/sq.m.)*	Interest attributable to our Group *(%)*
Fushun	Ocean City	214	44,761	4,800	65%
Haikou	Zen House	23	1,532	15,000	70%
Hangzhou	Grand Canal Milestone	296	11,164	26,500	70%
	Ocean Mansion	342	10,740	31,800	51%
Huangshan	An Island Paradise	77	9,113	8,400	100%
Qingdao	Ocean Prospect	257	13,745	18,700	100%
Qinhuangdao	Ocean Century	366	51,866	7,100	100%
Sanya	Ocean Mansion	117	6,676	17,500	70%
Shanghai	Bond Castle	71	1,288	55,100	100%
	Ocean Mansion No.7	266	17,469	15,200	100%
Shenyang	Ocean Paradise	572	71,584	8,000	100%
	Ocean Residence	165	19,242	8,600	88%
Tianjin	Ocean City	585	73,709	7,900	100%
	Ocean Express	172	20,383	8,400	97.05%
	Ocean Great Harmony	116	9,899	11,700	100%
	Ocean Prospect	262	25,081	10,400	100%
Wuhan	Ocean Manor	148	12,441	11,900	55%
	Ocean World	31	6,232	5,000	55%
Zhenjiang	Ocean Beach	153	31,018	4,900	55%
Zhongshan	Ocean City	876	116,690	7,500	100%
	Ocean New Era	301	56,383	5,300	40%
Subtotal		**13,469**	**1,161,018**	**11,600**	
Carparks		288	52,687	5,500	
Total		**13,757**	**1,213,705**	**11,300**	

(3) Construction progress

Total GFA completed and total saleable GFA completed in the first half of 2012 were approximately 547,000 sq.m. and 506,000 sq.m., decreased by 35% and 31% respectively compared to the corresponding period in 2011.

(4) Landbank

As at 30 June 2012, our landbank decreased by 2% to 23,499,000 sq.m. (31 December 2011: 23,989,000 sq.m.), while landbank with attributable interest decreased to 19,922,000 sq.m. (31 December 2011: 20,647,000 sq.m.). The average land cost per sq.m. for our landbank as at 30 June 2012 was approximately RMB3,062 compared to RMB3,029 as at 31 December 2011.

Our Group's landbank details as at 30 June 2012 were listed below:

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	245,000	190,000	245,000	80%
		CBD Plot Z13	120,000	108,000	120,000	10%
		INDIGO	295,000	264,000	97,000	50%
		Jingmian Project	88,000	78,000	88,000	35%
		Ocean Crown	211,000	148,000	211,000	100%
		Ocean Great Harmony	353,000	314,000	105,000	100%
		Ocean La Vie	319,000	304,000	302,000	85.72%
		Ocean Landscape Eastern Area E02/03	103,000	71,000	103,000	100%
		Ocean Manor	250,000	219,000	250,000	100%
		Ocean Oriental Mansion	174,000	150,000	174,000	100%
		Ocean Palace	431,000	379,000	431,000	100%
		Poetry Of River	786,000	705,000	290,000	100%
		The Place	101,000	86,000	76,000	100%
Pan-Bohai Rim	Dalian	Ocean Diamond Bay	2,332,000	1,591,000	2,332,000	90%
		Ocean Holiday Manor	407,000	361,000	407,000	100%
		Ocean Midtown	92,000	73,000	92,000	100%
		Ocean Plaza	293,000	253,000	293,000	69.53%
		Ocean Seasons	138,000	104,000	33,000	100%
		Ocean Times	565,000	471,000	565,000	100%
		Ocean Worldview	1,982,000	1,480,000	1,453,000	100%
		Sino-Ocean Technopole	922,000	596,000	922,000	100%
		Wyndham Grand Plaza Royale Sino-Ocean	110,000	52,000	110,000	100%
		Xiaoyao Bay Project	219,000	175,000	219,000	100%

Region	Cities	Projects	Approximate total GFA *(sq.m.)*	Approximate total saleable GFA *(sq.m.)*	Remaining landbank *(sq.m.)*	Interest attributable to our Group *(%)*
	Qingdao	Ocean Honored Chateau	133,000	78,000	133,000	100%
		Ocean Prospect	148,000	109,000	148,000	100%
		Ocean Seasons	146,000	114,000	146,000	100%
	Qinhuangdao	Ocean Century	1,366,000	1,300,000	1,366,000	100%
	Tianjin	Ocean City	2,259,000	2,171,000	1,852,000	100%
		Ocean Express	337,000	322,000	96,000	97.05%
		Ocean Great Harmony	347,000	334,000	307,000	100%
		Ocean International Center	285,000	248,000	285,000	96.99%
		Ocean Prospect	318,000	285,000	318,000	100%
Northeast Region	Changchun	Ocean Cannes Town	1,189,000	1,105,000	1,189,000	51%
	Fushun	Ocean City	1,325,000	1,305,000	1,325,000	65%
	Shenyang	Ocean Paradise	713,000	679,000	236,000	100%
		Ocean Residence	181,000	163,000	181,000	88%
Along Yangtze River	Chengdu	Pinnacle One	384,000	214,000	384,000	50%
	Chongqing	Sino-Ocean International Golf Resort	583,000	499,000	583,000	85%
	Hangzhou	Canal Business Center Project	965,000	470,000	965,000	51%
		Grand Canal Milestone	208,000	140,000	208,000	70%
		Ocean In Your Heart	159,000	107,000	159,000	63%
	Huangshan	An Island Paradise	94,000	89,000	94,000	100%
	Shanghai	Bond Castle	224,000	89,000	224,000	100%
		Ocean Chanson Mansion	389,000	264,000	389,000	100%
		Ocean Mansion No.7	119,000	88,000	119,000	100%
	Wuhan	Ocean Manor	78,000	71,000	50,000	55%
		Ocean World	455,000	394,000	409,000	55%
	Zhenjiang	Ocean Beach	894,000	742,000	894,000	55%

Region	Cities	Projects	Approximate total GFA *(sq.m.)*	Approximate total saleable GFA *(sq.m.)*	Remaining landbank *(sq.m.)*	Interest attributable to our Group *(%)*
Southern Region	Haikou	Zen House	110,000	96,000	110,000	70%
	Sanya	Ocean Mansion	55,000	48,000	9,000	70%
		Tang Di Project	14,000	12,000	14,000	52.5%
	Shenzhen	Ocean Express	566,000	408,000	566,000	84.7%
	Zhongshan	Ocean City	2,036,000	1,820,000	1,327,000	100%
		Ocean New Era	495,000	479,000	495,000	40%
Total			**27,111,000**	**22,415,000**	**23,499,000**	

Property Investment

Revenue from property investment increased to RMB200 million during the first half of 2012 (first half of 2011: RMB157 million). The rise in rental income was mainly due to higher per sq.m. rental level and occupancy rate for Ocean Office Park in Beijing.

Employees and Human Resources

As at 30 June 2012, our Group had 6,314 employees (31 December 2011: 6,852), a 8% drop in headcount. The lowered headcount was in line with our Group's market-oriented personnel mechanism that serves to optimizing personnel arrangement, retaining performing staff, maximizing the Company's overall efficiency as well as guiding the career path of our employees.

The unaudited consolidated results of our Group for the six months ended 30 June 2012 are as follows:

Condensed Consolidated Interim Balance Sheet

	Notes	**As at 30 June 2012** ***RMB'000*** **(Unaudited)**	As at 31 December 2011 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**229,852**	225,472
Land use rights		**9,353**	9,477
Investment properties		**5,610,542**	5,462,375
Goodwill		**610,454**	630,383
Interest in jointly controlled entities		**1,498,198**	1,052,135
Interests in associates		**674,359**	606,013
Available-for-sale financial assets		**663,617**	244,727
Trade and other receivables	*4*	**609,649**	598,245
Deferred income tax assets		**1,610,348**	1,502,833
Total non-current assets		**11,516,372**	10,331,660
Current assets			
Deposits for land use rights		**4,803,223**	8,188,492
Properties under development		**73,684,410**	65,470,147
Inventories, at cost		**809,663**	487,892
Land development cost recoverable		**3,945,788**	4,028,979
Completed properties held for sale		**4,667,090**	3,274,201
Available-for-sale financial assets		**196,200**	196,200
Other investment		**25,231**	15,580
Financial assets at fair value through profit or loss		**267,276**	412,486
Trade and other receivables	*4*	**6,459,797**	5,463,192
Restricted bank deposits		**2,813,594**	3,768,822
Cash and cash equivalents		**12,064,623**	8,647,794
Total current assets		**109,736,895**	99,953,785
Total assets		**121,253,267**	110,285,445

Condensed Consolidated Interim Balance Sheet (Continued)

	Notes	As at 30 June 2012 *RMB'000* (Unaudited)	As at 31 December 2011 *RMB'000* (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital and premium		**20,511,110**	20,231,084
Shares held for Restricted Share Award Scheme		**(101,450)**	(131,959)
Reserves		**296,244**	169,548
Retained earnings			
— proposed dividends	*11*	**283,533**	462,059
— others		**6,605,820**	6,035,547
		27,595,257	26,766,279
Convertible securities		**5,969,279**	5,969,279
Capital securities		**2,532,866**	2,532,866
		36,097,402	35,268,424
Non-controlling interests		**3,895,350**	3,488,740
Total equity		**39,992,752**	38,757,164
LIABILITIES			
Non-current liabilities			
Borrowings		**21,237,333**	19,105,661
Deferred income tax liabilities		**1,339,124**	1,386,739
Total non-current liabilities		**22,576,457**	20,492,400
Current liabilities			
Borrowings		**15,968,287**	14,481,805
Trade and other payables	*5*	**10,879,706**	10,174,821
Advances from customers		**28,629,746**	22,870,209
Current income tax liabilities		**3,206,319**	3,509,046
Total current liabilities		**58,684,058**	51,035,881
Total liabilities		**81,260,515**	71,528,281
Total equity and liabilities		**121,253,267**	110,285,445
Net current assets		**51,052,837**	48,917,904
Total assets less current liabilities		**62,569,209**	59,249,564

Condensed Consolidated Interim Income Statement

	Notes	Unaudited Six months ended 30 June **2012** ***RMB'000***	 2011 *RMB'000*
Revenue	*6*	**6,758,766**	7,904,485
Cost of sales		**(4,700,844)**	(5,563,997)
Gross profit		**2,057,922**	2,340,488
Interest and other income		**25,153**	189,106
Other gains/(losses) — net	*7*	**60,691**	(628)
Selling and marketing expenses		**(247,424)**	(251,355)
Administrative expenses		**(237,994)**	(195,667)
Operating profit		**1,658,348**	2,081,944
Finance costs	*8*	**(142,604)**	(97,100)
Share of gains/(losses) of jointly controlled entities		**446,407**	(4,716)
Share of losses of associates		**(1,986)**	(6,601)
Profit before income tax		**1,960,165**	1,973,527
Income tax expense	*9*	**(712,708)**	(875,570)
Profit for the period		**1,247,457**	1,097,957
Attributable to:			
Owners of the Company		**1,206,489**	1,096,066
Non-controlling interests		**40,968**	1,891
		1,247,457	1,097,957
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.152**	0.154
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.151**	0.154

Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Profit for the period	**1,247,457**	1,097,957
Other comprehensive losses:		
Fair value gain/(loss) on available-for-sale financial assets	**6,216**	(32,870)
Currency translation differences	**(19,763)**	(14,676)
Other comprehensive losses for the period	**(13,547)**	(47,546)
Total comprehensive income for the period	**1,233,910**	1,050,411
Total comprehensive income attributable to:		
— Owners of the Company	**1,192,942**	1,048,520
— Non-controlling interests	**40,968**	1,891
	1,233,910	1,050,411

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.

These condensed consolidated interim financial information are presented in Renminbi ("RMB"), unless otherwise stated. These condensed consolidated interim financial information was approved for issue on 16 August 2012 by the Board of directors.

These condensed consolidated interim financial information have not been audited.

2 Basis of preparation

These condensed consolidated interim financial information for the six months ended 30 June 2012 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"). These condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, 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 2011, as described in those annual financial statements.

(a) Change in accounting policy

In December 2010, the HKICPA amended HKAS 12, "Income taxes", to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

The Group has adopted this amendment retrospectively for the financial period ended June 2012. As investment properties of the Group are with a business model to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, the presumption is rebutted and related deferred tax is not remeasured. Accordingly the adoption of this new accounting policy has no impact on the financial statements of the Group in the current and prior years.

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

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

4 Trade and other receivables

	As at 30 June 2012 *RMB'000* (Unaudited)	As at 31 December 2011 *RMB'000* (Audited)
Trade receivables	**71,150**	84,774
Amounts due from customers for contract work	**882,714**	842,604
Less: provision for impairment of receivables	**(24,941)**	(31,749)
Trade receivables — net (a)	**928,923**	895,629
Prepaid tax	**2,916,920**	2,298,024
Entrusted loan to third parties	**275,000**	475,000
Entrusted loan to a jointly controlled entity	**—**	25,000
Entrusted loan to an associate	**381,360**	365,771
Notes receivables	**1,147**	46,147
Statutory construction deposits	**80,439**	71,572
Amounts due from jointly controlled entities	**1,186,511**	624,756
Amounts due from associates	**23,453**	113,453
Amounts due from non-controlling interests	**22,350**	112,127
Cooperation deposits	**135,730**	127,350
Other deposits and prepayments	**505,606**	383,907
Other receivables	**612,007**	522,701
	7,069,446	6,061,437
Less: non-current portion	**(609,649)**	(598,245)
Current portion	**6,459,797**	5,463,192

(a) Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement. 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 2012 *RMB'000* (Unaudited)	As at 31 December 2011 *RMB'000* (Audited)
Less than 6 months	**392,354**	872,704
6 months to 1 year	**527,395**	35,770
1 year to 2 years	**27,058**	15,080
2 years to 3 years	**5,506**	1,593
Over 3 years	**1,551**	2,231
	953,864	927,378

5 Trade and other payables

	As at 30 June 2012 *RMB'000* (Unaudited)	As at 31 December 2011 *RMB'000* (Audited)
Trade payables (a)	**6,726,803**	5,687,484
Accrued expenses	**1,483,772**	1,699,263
Notes payables	**77,474**	—
Distribution payable	**192,858**	195,138
Amounts due to non-controlling interests	**319,762**	503,828
Consideration payable	**60,000**	120,000
Other tax payable	**423,973**	442,628
Provision for financial guarantee liabilities	**74,463**	64,134
Other payables	**1,520,601**	1,462,346
	10,879,706	10,174,821

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 2012 *RMB'000* (Unaudited)	As at 31 December 2011 *RMB'000* (Audited)
Less than 6 months	**4,414,009**	4,621,569
6 months to 12 months	**1,884,142**	635,849
1 year to 2 years	**122,199**	383,132
2 years to 3 years	**259,697**	25,339
Over 3 years	**46,756**	21,595
	6,726,803	5,687,484

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								
	Beijing	Tianjin	North-east	Others	Investment property	Total	All other Businesses	Inter-company elimination	Group total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2012									
Total segment revenue	**2,107,626**	**1,517,465**	**1,177,026**	**934,552**	**201,607**	**5,938,276**	**1,934,615**	**—**	**7,872,891**
Inter-segment revenue	**(29,554)**	**—**	**—**	**—**	**(2,062)**	**(31,616)**	**(1,082,509)**	**—**	**(1,114,125)**
Revenue (from external customers)	**2,078,072**	**1,517,465**	**1,177,026**	**934,552**	**199,545**	**5,906,660**	**852,106**	**—**	**6,758,766**
Segment operating profit	**1,022,593**	**159,823**	**534,562**	**240,914**	**188,759**	**2,146,651**	**254,321**	**(564,370)**	**1,836,602**
Depreciation and amortization	**(478)**	**(826)**	**(2,899)**	**(4,020)**	**(807)**	**(9,030)**	**(14,344)**	**—**	**(23,374)**
Goodwill disposed for sales of properties, charged to cost of sales	**—**	**(5,163)**	**—**	**(14,766)**	**—**	**(19,929)**	**—**	**—**	**(19,929)**
Income tax expense	**(392,623)**	**(28,137)**	**(160,562)**	**(107,097)**	**(6,401)**	**(694,820)**	**(17,888)**	**—**	**(712,708)**
Finance income	**62,302**	**30,408**	**178,430**	**60,575**	**26,717**	**358,432**	**7,816**	**(374,841)**	**(8,593)**
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 disposed for sales of properties, charged to cost of sales	—	(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
As at 30 June 2012 (Unaudited)									
Total segment assets	**41,005,281**	**11,335,292**	**40,277,446**	**35,453,821**	**6,654,550**	**134,726,390**	**44,446,270**	**(68,388,642)**	**110,784,018**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**2,718**	**88**	**1,718**	**15,099**	**148,470**	**168,093**	**8,269**	**—**	**176,362**
Total segment Liabilities	**25,353,526**	**4,494,040**	**20,218,695**	**19,094,599**	**1,383,979**	**70,544,839**	**34,745,250**	**(62,767,176)**	**42,522,913**
As at 31 December 2011 (Audited)									
Total segment assets	36,627,577	11,357,343	35,575,631	34,987,901	6,187,329	124,735,781	28,146,919	(51,185,920)	101,696,780
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,422	2,594	3,903	11,344	564	19,827	54,251	—	74,078
Total segment Liabilities	14,852,035	4,515,462	11,476,473	16,217,060	1,037,273	48,098,303	22,586,169	(34,325,534)	36,358,938

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

	Unaudited Six months ended 30 June **2012** ***RMB'000***	 2011 *RMB'000*
Segment operating profit	**1,836,602**	2,189,138
Corporate finance income	**17,367**	29,418
Corporate overheads	**(195,621)**	(136,612)
Finance costs	**(142,604)**	(97,100)
Share of gains/(losses) of jointly controlled entities	**446,407**	(4,716)
Share of losses of associates	**(1,986)**	(6,601)
Profit before income tax	**1,960,165**	1,973,527

	30 June 2012 (Unaudited) ***RMB'000***	31 December 2011 (Audited) *RMB'000*
Reportable and other businesses' assets are reconciled to total assets as follows:		
Total segment assets	**110,784,018**	101,696,780
Corporate cash and cash equivalents	**5,534,020**	4,558,691
Investment in jointly controlled entities	**1,498,198**	1,052,135
Investment in associates	**674,359**	606,013
Available-for-sale financial assets	**859,817**	440,927
Other investment	**25,231**	15,580
Financial assets at fair value through profit or loss	**267,276**	412,486
Deferred income tax assets	**1,610,348**	1,502,833
Total assets per consolidated balance sheet	**121,253,267**	110,285,445
Total segment liabilities	**42,522,913**	36,358,938
Deferred income tax liabilities	**1,339,124**	1,386,739
Current borrowings	**15,968,287**	14,481,805
Non-current borrowings	**21,237,333**	19,105,661
Distribution payable	**192,858**	195,138
Total liabilities per consolidated balance sheet	**81,260,515**	71,528,281

The Company is incorporated in Hong Kong, most of its main subsidiaries domiciled in the mainland of China. All revenues from external customers of the Group are derived in the mainland of China for the six months ended 30 June 2012 and 2011.

7 Other gains/(losses) — net

	Unaudited Six months ended 30 June 2012 RMB'000	2011 RMB'000
Impairment loss on assets and associated liabilities classified as held for sale	**—**	(23,280)
Gain on disposal of subsidiaries	**70,685**	—
Gain on disposal of partial interests in an associate	**20,333**	—
Gain on disposal of financial assets at fair value through profit or loss	**2,712**	10,283
Fair value loss of financial assets at fair value through profit or loss	**(4,553)**	(369)
Loss on trading of other investment	**—**	(860)
Fair value (loss)/gain of other investment	**(442)**	1,251
Loss on disposal of property, plant and equipment	**(760)**	(35)
Exchange (loss)/gain	**(1,284)**	27,347
Other losses	**(26,000)**	(14,965)
	60,691	(628)

8 Finance costs

	Unaudited Six months ended 30 June 2012 RMB'000	2011 RMB'000
Interest expense:		
— Bank borrowings	**831,719**	468,070
— Other borrowings	**500,278**	276,790
Less: interest capitalized at a capitalization rate of 7.68% (2011: 6.26%) per annum	**(1,189,393)**	(647,760)
	142,604	97,100

9 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 2012 and 2011. Other companies are mainly subjected to Hong Kong income tax.

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

	Unaudited Six months ended 30 June 2012 RMB'000	2011 RMB'000
Current income tax:		
— PRC enterprise income tax	**531,513**	693,564
— PRC land appreciation tax	**336,325**	419,336
Deferred tax	**(155,130)**	(237,330)
	712,708	875,570

10 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.

	Unaudited Six months ended 30 June **2012**	 2011
Profit attributable to owners of the Company *(RMB'000)*	**1,206,489**	1,096,066
Distribution relating to convertible securities and capital securities *(RMB'000)*	**(352,997)**	(229,674)
Profit used to determine basic earnings per share *(RMB'000)*	**853,492**	866,392
Weighted average number of ordinary shares in issue *(thousands)*	**5,627,825**	5,615,630
Basic earnings per share for profit attributable to the owners of the Company *(RMB per share)*	**0.152**	0.154

(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 **2012**	 2011
Profit from continuing operations attributable to owners of the Company *(RMB'000)*	**1,206,489**	1,096,066
Distribution relating to convertible securities and capital securities *(RMB'000)*	**(352,997)**	(229,674)
Profit used to determine basic earnings per share *(RMB'000)*	**853,492**	866,392
Weighted average number of ordinary shares in issue *(thousands)*	**5,627,825**	5,615,630
Adjustment for:		
— share options *(thousands)*	**9,582**	5,983
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**5,637,407**	5,621,613
Diluted earnings per share for profit from continuing attributable to the owners of the Company *(RMB per share)*	**0.151**	0.154

11 Dividends

On 16 August 2012, the Board has resolved to declare an interim dividend of RMB283,533,000 for the six months ended 30 June 2012 (six months ended 30 June 2011: RMB232,544,000).

	Unaudited Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Final dividends paid	**461,745**	376,076
Interim dividends proposed	**283,533**	232,544

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

During the period under review, the trustee of the restricted share award scheme, pursuant to the terms of the rules and trust deed of the restricted share award scheme, had acquired 876,087 shares of the Company by way of receiving scrip shares in lieu of cash dividend in an amount of approximately HKD2,696,000.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period under review.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited interim financial statements for the six months ended 30 June 2012 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 2012.

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 (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (collectively, the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2012, except as noted hereunder.

Mr. LI Ming is the chairman (the "Chairman") and the chief executive officer of the Company (the "Chief Executive Officer"). The roles of the Chairman and the Chief Executive Officer have not been segregated as required under code A.2.1 of the CG Code, however, the Company considers that the combination of the roles of the Chairman and the Chief Executive Officer involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company.

Mr. YANG Zheng, the non-executive director, and Mr. HAN Xiaojing, Mr. GU Yunchang and Mr. ZHAO Kang, the independent non-executive directors, were unable to attend the annual general meeting of the Company held on 11 May 2012 (as provided for in code A.6.7 of the CG Code) as they were engaged in other business.

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 to 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 standards set out in the Code of Conduct.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of HKD0.06 per share (2011: HKD0.05 per share) to shareholders whose names appear on the Company's register of members on 4 September 2012. The interim dividend will be paid in cash, with an option to receive new and fully paid shares in lieu of cash under the scrip dividend scheme (the "Scrip Dividend Scheme"). The new shares will, on issue, not be entitled to the said interim dividend, but will rank pari passu in all other respects with the existing shares in issue. A circular containing details of the Scrip Dividend Scheme and an election form will be sent to shareholders in due course.

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

The register of members of the Company will be closed from Friday, 31 August 2012 to Tuesday, 4 September 2012, 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 Thursday, 30 August 2012.

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 (www.sinooceanland.com). The interim report for the six months ended 30 June 2012 will be despatched to shareholders on or about 13 September 2012 and will be available on the Company's and the Stock Exchange's websites.

APPRECIATION

On behalf of the Board, I would like to express profound gratitude to our shareholders and business partners for their ongoing support and to all our colleagues for their persistence and professionalism.

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

Hong Kong, 16 August 2012

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