SINO-OCEAN 遠洋集團

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

1. Total contracted sales increased significantly by 49% to RMB20,630 million.

2. Revenue amounted to RMB9,331 million, and gross profit margin grew up to 24%.

3. Core profit amounted to RMB956 million, and core profit margin was 10%.

4. Profit attributable to owners of the Company amounted to RMB1,448 million. Basic earnings per share was RMB0.178.

5. Total borrowings reduced by RMB8,938 million to RMB42,988 million. The net gearing ratio reduced by 7 percentage points to 52%. Cash resources amounted to RMB18,507 million, maintaining financial soundness.

6. The Group's weighted average interest rate decreased to 5.54%, a decrease of 95 basis points as compared to the corresponding period in 2015.

7. Total assets amounted to RMB144,483 million, and equity attributable to owners of the Company amounted to RMB42,327 million.

8. The Board proposed an interim dividend of HKD0.079 per share, in the form of cash. Dividend payout ratio increased by 14 percentage points to 35%.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

The Board of Directors (the "**Board**") of Sino-Ocean Group Holding Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("**the Group**" or "**we**") for the six months ended 30 June 2016.

REVIEW OF THE INTERIM RESULTS

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

Based on the profit attributable to owners of the Company during the period, the Board is pleased to propose an interim dividend of HKD0.079 per share for the six months ended 30 June 2016.

MARKET REVIEW AND OUTLOOK

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

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

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

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

FINANCIAL REVIEW

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

The Group's revenue in the first half of 2016 was RMB9,331 million, representing a 38% decrease as compared to RMB15,107 million in the first half of 2015. The decrease was due to the fact that more property development projects will be delivered in the second half of the year. With the Group's exit of third and fourth-tier cities and the projects recently acquired in first and core second-tier cities commencing to deliver in the second half of the year, we expect the revenue scale to resume. The property development segment remained the largest contributor which accounted for approximately 83% of the Group's total revenue. Contribution from property investment segment began to increase. Beijing as our home base accounted for approximately 36% of the Group's total revenue in the first half of 2016 (first half of 2015: 40%) and amounted to RMB3,392 million (first half of 2015: RMB6,026 million). As we have developed a diversified portfolio of landbank, contributions from other first and second-tier cities remained stable. For the first half of 2016, contributions of revenue from cities including Tianjin, Dalian, Nanjing, Shenzhen and Zhongshan amounted to RMB4,726 million, accounting for approximately 51% of total revenue (first half of 2015: 54%).

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

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

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

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

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

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

Administrative expenses for the first half of 2016 slightly decreased to RMB323 million (first half of 2015: RMB346 million), representing 3.5% of total revenue for the first half of 2016 (first half of 2015: 2.3%). We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

Our weighted average interest rate decreased from 6.49% to 5.54% for the first half of 2016. The total interest expenses paid or accrued was RMB1,579 million (first half of 2015: RMB1,772 million), RMB312 million (first half of 2015: RMB287 million) of which was not capitalized and charged through condensed consolidated income statement.

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

Profit attributable to owners of the Company decreased by 34% to RMB1,448 million in the first half of 2016, as compared to RMB2,195 million for the corresponding period last year. Core profit, excluding one-off items and fair value gains on investment properties, decreased 44% to RMB956 million (first half of 2015: RMB1,693 million). Core profit margin was 10% (first half of 2015: 11%).

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

The Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 52% as at 30 June 2016 (31 December 2015: about 59%), the majority of which were denominated in Renminbi. The remaining borrowings were denominated in HKD and USD. Approximately 70% of the Group's borrowings were made at fixed rate.

BUSINESS REVIEW

Property Development

Recognized sales

Revenue from property development segment dropped by 45% in the first half of 2016 to RMB7,783 million as compared to RMB14,042 million for the corresponding period in 2015, primarily because most projects will be delivered mainly in the second half of the year. Saleable GFA delivered decreased by 39% from approximately 1,071,000 sq.m. in the first half of 2015 to approximately 656,000 sq.m. in the first half of 2016. Excluding car park sales, the average selling price recognized in the first half of 2016 was approximately RMB13,400 per sq.m. (first half of 2015: RMB14,000 per sq.m.).

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

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

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

Contracted sales

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

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

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

Region	Cities	Projects	Contracted sales amount *(RMB million)*	Saleable GFA sold *(sq.m.)*	Average selling price *(RMB/sq.m.)*	Interest attributable to the Group *(%)*
Northeast Region	Dalian	Ocean Diamond Bay	416	41,600	10,000	100%
		Ocean Worldview	328	49,000	6,700	100%
		The Place of Glory	609	54,300	11,200	100%
	Shenyang	Ocean Paradise	2	1,500	1,300	100%
		Ocean Residence	18	2,300	7,800	100%
	Changchun	Ocean Cannes Town	279	30,000	9,300	100%
			1,652	**178,700**	**9,200**	
Central Region	Shanghai	Ocean Melody	1,055	50,500	20,900	40%
	Hangzhou	Ocean Chanson	534	38,900	13,700	51%
		Ocean In Your Heart	10	300	33,300	100%
		Ocean Mansion	50	1,400	35,700	100%
		Ocean Melody	345	16,100	21,400	100%
		Canal Business Center Project	521	17,400	29,900	100%
	Nanjing	Ocean International Center	1,045	44,900	23,300	100%
		Sino-Ocean Land Greenland Premier Court	303	16,300	18,600	50%
	Huangshan	An Island Paradise	10	1,500	6,700	100%
	Qingdao	Ocean Melody	269	31,300	8,600	100%
	Wuhan	Ocean World	367	64,400	5,700	55%
		Hejiadun Project	1,206	95,600	12,600	38%
			5,715	**378,600**	**15,100**	
Southern Region	Shenzhen	Ocean Express	4	100	40,000	84.70%
	Guangzhou	Elite Palace	1,094	33,900	32,300	30%
	Zhongshan	Ocean Aromas	87	15,100	5,800	51%
		Ocean Bloom	203	39,700	5,100	51%
		Ocean City	4	300	13,300	100%
		Ocean Emerald	197	38,500	5,100	61%
		Ocean Magic City	143	20,900	6,800	51%

Region	Cities	Projects	Contracted sales amount *(RMB million)*	Saleable GFA sold *(sq.m.)*	Average selling price *(RMB/sq.m.)*	Interest attributable to the Group *(%)*
Southern Region *(con't)*	Haikou	Ocean Zen House	101	8,500	11,900	70%
	Sanya	Mountain Creek	284	6,100	46,600	98.27%
	Chongqing	Sino-Ocean International GOLF Resort	138	12,600	11,000	87.25%
		Gaomiao Plot, Jiulongpo District	293	47,500	6,200	37.71%
			2,548	**223,200**	**11,400**	
Subtotal			19,670	1,206,900	16,300	
Other joint venture projects			807	52,200	15,500	
Subtotal (excluding car parks)			20,477	1,259,100	16,300	
Car parks (various projects)			153	79,400	1,900	
Total			**20,630**	**1,338,500**	**15,400**	

Landbank

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

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

Region	Cities	Projects	Approximate total GFA *('000 sq.m.)*	Approximate total saleable GFA *('000 sq.m.)*	Remaining landbank *('000 sq.m.)*	Interest attributable to the Group *(%)*
Beijing-Tianjin-Hebei Region	Beijing	CBD Plot Z6	241	185	241	100%
		CBD Plot Z13	162	126	162	10%
		Changping Sci-tech Park F2 Project	256	193	251	50%
		Core Center Plot, Tongzhou District	479	334	479	50%
		Happy Garden	195	163	195	30%
		26 Block	79	79	79	100%
		Mizhiyun Project	80	71	42	90%
		Nanfaxin Project, Shunyi District	277	206	277	23%
		Ocean Crown	209	182	13	100%
		Ocean Epoch	264	198	264	67.50%
		Ocean LA VIE	318	305	162	85.72%
		Ocean Manor	194	177	8	100%
		Ocean Melody	55	50	55	100%
		Ocean Metropolis	330	276	330	75%
		Ocean Palace	436	383	256	49%
		Our New World	109	91	109	100%
		Plot 6002, Mentougou, New Town	125	97	125	21%
		POETRY OF RIVER	811	723	3	100%
		Xiji Plot C, Tongzhou District	221	170	221	30%
		Lize Business District Project	441	331	441	17.25%
	Tianjin	Ocean Chanson	204	199	204	100%
		Ocean City	2,137	1,683	828	100%
		Ocean Express	335	288	16	100%
		Ocean Great Harmony	350	290	50	100%
		Ocean International Center	321	200	187	100%
		Ocean Inside	183	176	183	60%
		Ocean Prospect	321	309	59	100%
		Royal River	349	333	260	100%
		Yixingbu Project, Beichen District	3,034	2,615	3,001	51%
			12,516	**10,433**	**8,501**	

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

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

Property Investment

During the first half of 2016, revenue from property investment increased by 22% to RMB447 million (first half of 2015: RMB365 million). We acquired one matured office premise located in Shanghai. As at 30 June 2016, the Group held 9 operating investment properties, several community retail streets and several carparks for rental, excluding those held by our subsidiary, Gemini Investments (Holdings) Limited.

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

	Approximate leasable area *(sq.m.)*	**Office premises** *(sq.m.)*	**Retail space** *(sq.m.)*	**Others** *(sq.m.)*	**Occupancy rate as at 30 June 2016** *(%)*	**Interest attributable to the Group** *(%)*
Ocean Plaza (Beijing)	30,000	26,000	–	4,000	100%	72%
Ocean International Center Block A (Beijing)	101,000	75,000	9,000	17,000	88%	100%
Ocean Office Park (Beijing)	127,000	81,000	22,000	24,000	90%	100%
Ocean We-life Plaza (Beijing)	31,000	–	31,000	–	99%	100%
Ocean We-life Plaza (Tianjin)	41,000	–	41,000	–	91%	100%
Other projects	74,000	–	59,000	15,000	92%	100%
Sub-total	404,000	182,000	162,000	60,000		
Other						
INDIGO (Beijing)	176,000	49,000	71,000	56,000	99%	50%
Ocean International Center, Phase II (Beijing)	77,000	47,000	19,000	11,000	99%	35%
East Ocean Centre (Shanghai)	62,000	43,000	7,000	12,000	Over 85%	50%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	99,000	–	82,000	17,000	Over 90%	50%
Total	**818,000**	**321,000**	**341,000**	**156,000**		

Employees and Human Resources

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

We will continuously review our salary and compensation schemes to make them competitive to retain our talented staff and also provide various training and development programs.

The unaudited consolidated results of our Group for the six months ended 30 June 2016 are as follows:

Condensed Consolidated Interim Balance Sheet

	Note	**As at 30 June 2016 *RMB'000* (Unaudited)**	As at 31 December 2015 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**594,261**	584,068
Land use rights		**50,401**	52,094
Investment properties		**14,809,749**	13,555,320
Goodwill		**56,526**	56,700
Investments in joint ventures		**6,879,884**	6,958,559
Investments in associates		**2,549,219**	2,773,307
Available-for-sale financial assets		**2,856,599**	3,306,136
Trade and other receivables	*4*	**7,959,978**	12,644,947
Deferred income tax assets		**810,575**	938,049
Total non-current assets		**36,567,192**	40,869,180
Current assets			
Deposits for land use rights		**5,983,561**	5,983,561
Properties under development		**38,418,599**	38,037,060
Inventories, at cost		**79,468**	80,371
Amounts due from customers for contract work		**641,109**	915,791
Land development cost recoverable		**2,292,811**	2,177,819
Completed properties held for sale		**12,531,339**	12,023,402
Financial assets at fair value through profit or loss		**111,566**	196,928
Trade and other receivables	*4*	**29,350,035**	24,174,723
Restricted bank deposits		**3,919,773**	3,456,473
Cash and cash equivalents		**14,587,560**	20,269,584
Total current assets		**107,915,821**	107,315,712
Total assets		**144,483,013**	148,184,892

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Capital		**26,918,317**	26,915,412
Shares held for Restricted Share Award Scheme		**(30,778)**	(32,366)
Other reserves		**(337,126)**	(410,945)
Retained earnings		**15,776,157**	14,758,572
		42,326,570	41,230,673
Capital securities		**–**	2,532,866
Non-controlling interests		**4,565,043**	4,426,735
Total equity		**46,891,613**	48,190,274
LIABILITIES			
Non-current liabilities			
Borrowings		**36,573,843**	43,360,054
Trade and other payables	5	**12,672**	13,377
Deferred income tax liabilities		**2,689,981**	2,071,835
Total non-current liabilities		**39,276,496**	45,445,266
Current liabilities			
Borrowings		**6,414,155**	8,565,785
Trade and other payables	5	**29,970,068**	25,261,541
Advance receipts from customers		**19,275,211**	16,563,682
Income tax payables		**2,655,470**	4,158,344
Total current liabilities		**58,314,904**	54,549,352
Total liabilities		**97,591,400**	99,994,618
Total equity and liabilities		**144,483,013**	148,184,892

Condensed Consolidated Interim Income Statement

		Unaudited	
		Six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Revenue	*6*	**9,330,649**	15,106,881
Cost of sales		**(7,077,100)**	(12,041,924)
Gross profit		**2,253,549**	3,064,957
Interest and other income		**800,425**	440,223
Other (losses)/gains — net	*7*	**(205,845)**	161,824
Fair value gains on investment properties		**1,066,592**	315,488
Selling and marketing expenses		**(218,379)**	(176,199)
Administrative expenses		**(322,620)**	(346,013)
Operating profit		**3,373,722**	3,460,280
Finance costs	*8*	**(311,619)**	(286,705)
Share of (losses)/gains of joint ventures		**(16,842)**	90,157
Share of (losses)/gains of associates		**(57,813)**	58,656
Profit before income tax		**2,987,448**	3,322,388
Income tax expense	*9*	**(1,454,393)**	(1,131,022)
Profit for the period		**1,533,055**	2,191,366
Attributable to:			
Owners of the Company		**1,447,754**	2,195,325
Non-controlling interests		**85,301**	(3,959)
		1,533,055	2,191,366
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.178**	0.280
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.178**	0.280

Condensed Consolidated Interim Statement of Comprehensive Income

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

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

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

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

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**"), unless otherwise stated. The condensed consolidated interim financial information was approved for issue on 18 August 2016 by the Board of directors.

The condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

3 ACCOUNTING POLICIES

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

(i) Amendments and interpretations to existing standards that are effective for the financial year beginning on 1 January 2016 do not have a material impact on or are not relevant to the Group.

(ii) New and revised standards and amendments to existing standards have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2016 and have not been early adopted.

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

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

4 TRADE AND OTHER RECEIVABLES

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

Trade receivables

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 6 months	**734,548**	565,036
Between 6 months to 1 year	**74,928**	110,787
Between 1 year to 2 years	**40,401**	50,300
Between 2 years to 3 years	**17,282**	27,137
Over 3 years	**8,763**	9,795
	875,922	763,055

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

5 TRADE AND OTHER PAYABLES

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

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

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

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

6 SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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

	Unaudited Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Segment operating profit	**2,436,595**	3,293,578
Corporate finance income	**73,863**	77,584
Corporate overheads	**(203,328)**	(226,370)
Fair value gains on investment properties	**1,066,592**	315,488
Finance costs *(Note 8)*	**(311,619)**	(286,705)
Share of (losses)/gains of joint ventures	**(16,842)**	90,157
Share of (losses)/gains of associates	**(57,813)**	58,656
Profit before income tax	**2,987,448**	3,322,388

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

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

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

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

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

7 OTHER (LOSSES)/GAINS — NET

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

8 FINANCE COSTS

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

9 INCOME TAX EXPENSE

Majority of the group entities are subjected to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2016 and 2015. Other companies are mainly subjected to Hong Kong income tax.

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

	Unaudited Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Current income tax:		
— PRC enterprise income tax	**394,191**	433,346
— PRC land appreciation tax	**461,804**	208,982
Deferred income tax	**598,398**	488,694
	1,454,393	1,131,022

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 excluding ordinary shares purchased by the Company and held as shares held for Restricted Share Award Scheme.

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

(b) Diluted

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

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

11 DIVIDENDS

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

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

12 EVENTS AFTER THE BALANCE SHEET DATE

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

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

During the six months ended 30 June 2016, the trustee of the restricted share award scheme of the Company, pursuant to the terms of the rules and trust deed of the restricted share award scheme, had acquired 15,240,024 shares of the Company at an aggregate cost of approximately RMB47,097,000 (including transaction costs).

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 six months ended 30 June 2016.

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2016 have been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited interim financial information for the six months ended 30 June 2016.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the six months ended 30 June 2016, except as described below.

Mr. LI Ming is the chairman (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**"). The roles of the Chairman and the Chief Executive Officer have not been segregated as required under code 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

Our Group has adopted a code of conduct regarding directors' securities transactions (the "**Code of Conduct**") on standards no less exacting than those required in the Model Code 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 throughout the six months ended 30 June 2016.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of HKD0.079 per share (2015: HKD0.075 per share) to shareholders whose names appear on the Company's register of members at the close of business on Wednesday, 7 September 2016. The interim dividend will be paid in cash. It is expected that the cheques for cash entitlement in relation to interim dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or about Friday, 30 September 2016.

The register of members of the Company will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents together with relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 2 September 2016.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED (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.sinooceangroup.com). The interim report for the six months ended 30 June 2016 will be despatched to shareholders on or about 8 September 2016 and will be available on the Company's and the Stock Exchange's websites.

APPRECIATION

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

By order of the Board
Sino-Ocean Group Holding Limited
LI Ming
Chairman

Hong Kong, 18 August 2016

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	Mr. YANG Zheng	Mr. TSANG Hing Lun
Mr. LI Hu	Mr. YAO Dafeng	Mr. HAN Xiaojing
Mr. WANG Yeyi	Mr. FANG Jun	Mr. WANG Zhifeng
Mr. SUM Pui Ying	Ms. SHANGGUAN Qing	Mr. SUEN Man Tak
Mr. WEN Haicheng		Mr. JIN Qingjun
Mr. LI Hongbo		