遠洋集團
SINO-OCEAN

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

- Revenue amounted to a record high of RMB19,374 million, representing an increase of 18% as compared to the corresponding period of 2019.
- Gross profit increased significantly by 33% to RMB4,470 million. Gross profit margin was 23%, representing an increase of 3 percentage points as compared to the corresponding period of 2019.
- Profit attributable to owners of the Company amounted to RMB1,223 million. Core profit amounted to RMB1,121 million. Basic earnings per share was RMB0.161.
- Total contracted sales amounted to RMB41,840 million, representing a decrease of 30% as compared to the corresponding period of 2019.
- As at 30 June 2020, net gearing ratio was 65%, decreased by 12 percentage points as compared to the end of 2019, a record low in recent years. Total cash resources amounted to RMB43,739 million, maintaining financial soundness.
- The Group's weighted average interest rate reduced to 5.14%, representing a decrease of 29 basis points as compared to the corresponding period in 2019.
- The Board proposed an interim dividend of RMB0.056 per share (equivalent to HKD0.062 per share), in the form of cash.

Sino-Ocean Group Holding Limited
(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

Stock Code : 03377

The Board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) 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 2020.

REVIEW OF THE INTERIM RESULTS

For the six months ended 30 June 2020, our Group’s revenue was RMB19,374 million, representing a year-on-year (“**YoY**”) increase of 18%, gross profit margin was 23%, increased by 3 percentage points as compared to the corresponding period last year and gross profit reached RMB4,470 million. After the adjustments for one-off gain or loss, core profit was RMB1,121 million with 6% increase compared to that of the corresponding period last year, core profit margin remained the same as that of the corresponding period last year at 6%, profit attributable to owners of the Company was RMB1,223 million; earnings per share was RMB0.161.

MARKET REVIEW AND OUTLOOK

In the first half of 2020, the novel coronavirus pandemic caused a major impact on China’s economic progress and the world’s political economy, pulling the country’s GDP down by 1.6% YoY. In the work reports of the National People’s Congress and The National Committee of the Chinese People’s Political Consultative Conference, the Central Government made it clear that no efforts should be spared in the ‘six stabilities’ and ‘six guarantees’. Proactive fiscal policies should be even more goal-driven, firm monetary policies should be more flexible and applicable to ensure reasonable and ample fund liquidity. Local authorities must also make stabilizing finance, economy and employment their core policies. Policies for the real estate market are for ‘overall stability and local optimization’. The Central Government persevered on ‘housing for accommodation not speculation’ and city-specific policies. Local authorities, while observing ‘restricted purchase’ and ‘restricted lending’ as the bottom line, relaxed land-sale policies accordingly (increased the supply of quality land, allowed payment of land cost to be delayed or by instalment) and adjusted transaction policies of properties (relaxed pre-sale, human resources and provident fund policies) to restore both supply and demand adversely affected by the pandemic.

In the first six months of 2020, GFA of commodity housing sold in China was 694.04 million sq.m., a decline of 8.4% YoY, 3.9% less than the drop from January to May; sales of RMB6,689.5 billion were recorded, down by 5.4% YoY, 5.2% less than the decline in the first five months. Sales volume of commodity housing in January and February nationwide was the lowest in 20 years but started to recover in March with visible increase in both supply and demand. However, there was noticeable differentiation among regions and city tiers. The Yangtze-River Delta region saw faster recovery in both price and transaction volume, as well as demand for upgrading in core cities. During the first six months, total investments in property developments in China increased by 1.9% YoY to RMB6,300 billion, which was 2.2% higher than that for the period from January to May. Benefitting from the relaxation of certain land policies and improved funding of some enterprises, the land market gradually ‘defrosted’ since February, some cities even had a heated market.

Competition in the industry was still fierce despite the pandemic. Benchmark property enterprises launched projects quickly through innovative strategies to satisfy demands. However, stringent regulation on real estate finance continued and enterprises were still under the pressure of funds. As the market perked up, all the enterprises lost no time and spared no efforts in pushing new projects to encourage cash collection. In addition, the industry recognizes that there are unlikely market booms in the future. Players need to 'cultivate a vast area for a modest return', to improve on net profit, consolidate the basics and upgrade products and services continually.

In the latter half of the year, macro-economy in China is still under significant pressure due to the pandemic and the complicated, ever-changing international economic situation. Domestic finance is expected to remain relatively relaxed and liquidity reasonably ample. Real estate policies will remain 'stabilisation' overall and local authorities, though not adopting new restrictive measures, will not lift all controls on the market either. At the same time, the progression of modern urbanization and regional development, optimization of market-oriented land configurations and accelerated rejuvenation of old communities are favorable to the property industry in the medium and long term. The market is expected to continue to differentiate in the next half of the year. Customers will gravitate towards better cities, better sectors and better products. Major sectors are capable of higher risk resistance and quality products are preferred. As city differentiation continues, core cities that have a sound industrial basis, capacity for population growth and a high degree of marketization are expected to perform even better. Benchmark enterprises are expected to direct resources towards major cities and sectors. They will also focus on building a powerful team.

FINANCIAL REVIEW

The components of the revenue are analyzed as follows:

(RMB million)	**1H 2020**	1H 2019	*Changes*
Property development	**16,107**	12,744	26%
Property investment	**270**	306	–12%
Property management and related services	**741**	709	5%
Other real estate related businesses	**2,256**	2,715	–17%
Total	**19,374**	16,474	18%

The Group's revenue in the first half of 2020 was RMB19,374 million, representing a 18% increase as compared to RMB16,474 million in the first half of 2019. The property development segment remained the largest contributor which accounted for approximately 83% of the Group's total revenue. The Group pursues the 'south and west' strategic planning. During the first half of 2020, 62% of revenue from property development was contributed by Eastern, Southern, Central and Western Regions (first half of 2019: 47%). We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

In line with the increase in the recognized sales of property development, the Group's total cost for the period increased to RMB14,904 million accordingly (first half of 2019: RMB13,115 million).

The Group's total cost of sales was mainly the cost of property development, which mainly consisted of land cost and construction cost.

Excluding car parks, average land cost per sq.m. of property development business during the period increased to approximately RMB5,800 compared to RMB4,400 in the first half of 2019. The increase was mainly because less resettlement housing projects, which are having relatively lower land costs, were delivered in the first half of 2020. Average construction cost per sq.m. (excluding car parks) for property development business increased to approximately RMB5,300 as compared to RMB5,000 in the first half of 2019. The increase in average construction cost was mainly due to less resettlement housing projects with lower construction cost delivered during the first half of 2020.

Gross profit for the period was RMB4,470 million, representing an increase of 33% as compared to the corresponding period in 2019. Gross profit margin increased to approximately 23% (first half of 2019: 20%). The increase in gross profit margin was mainly due to the higher average selling price of properties recognized for the period compared to that of the corresponding period in 2019.

Interest and other income for the six months ended 30 June 2020 decreased by 8% to RMB1,380 million (first half of 2019: RMB1,507 million). Such decrease was mainly due to the decrease in investment income from financial assets in the first half of 2020.

The Group recorded other gains (net) of RMB124 million for the period (first half of 2019: other gains (net) of RMB573 million). Other gains (net) for the first half of 2020 mainly comprised the net effect of fair value gains of financial assets and liabilities at fair value through profit or loss, exchange losses and losses on disposal of financial assets at fair value through profit or loss. The decrease in other gains (net) during the first half of 2020 was mainly due to the gains on disposal of interests in subsidiaries during the first half of 2019.

Due to the adverse impact caused by the novel coronavirus epidemic, the Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB23 million for the first half of 2020 (first half of 2019: fair value gains of RMB375 million).

Selling and marketing expenses for the first half of 2020 was RMB469 million (first half of 2019: RMB467 million), maintained at the same level as the corresponding period in 2019. These costs accounted for approximately 1.1% of the total contracted sales amount for the first half of 2020 (first half of 2019: 0.8%). It mainly reflected the Group put more resources in the sales and marketing activities during the first half of 2020.

Under the Group's strict cost control policy, administrative expenses for the first half of 2020 decreased to RMB750 million (first half of 2019: RMB862 million), representing 3.9% of the total revenue for the first half of 2020 (first half of 2019: 5.2%). 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 5.43% for the first half of 2019 to 5.14% for the first half of 2020. As we obtained financing resources at a lower cost during the first half of 2020, the total interest expenses paid or accrued for the period decreased to RMB2,338 million (first half of 2019: RMB2,637 million), of which RMB962 million (first half of 2019: RMB912 million) was not capitalized and charged through condensed consolidated income statement.

The aggregate of enterprise income tax and deferred tax increased by 11% to RMB1,365 million for the first half of 2020 (first half of 2019: RMB1,229 million), with an effective tax rate of 41% (first half of 2019: 33%). The increase in effective tax rate was mainly due to the decrease of the share of profit from joint ventures and associates, which affected the calculation basis. Excluding the impact from this factor, the effective tax rate was stable. In addition, land appreciation tax for the first half of 2020 decreased to RMB653 million (first half of 2019: RMB733 million).

Profit attributable to owners of the Company decreased by 35% to RMB1,223 million in the first half of 2020, as compared to RMB1,875 million for the corresponding period last year, which was mainly due to the decrease of profit from non-core businesses like fair value gains on investment properties and gains on disposal of interests in subsidiaries during the first half of 2020. Benefitting from the increase of the gross profit margin, the Group's core profit for the first half of 2020 increased by 6% to RMB1,121 million (first half of 2019: RMB1,054 million). Our management will continue to focus on the improvement of our shareholders' return as their on-going tasks.

As at 30 June 2020, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB43,739 million. The majority of our cash resources were denominated in Renminbi. The current ratio was 1.61 times. Together with the unutilized credit facilities of approximately RMB227,404 million, the Group is confident with its liquidity.

The Group maintains financial soundness with net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) of approximately 65% as at 30 June 2020 (31 December 2019: approximately 77%).

As at 30 June 2020, approximately 52% of the Group's total borrowings were denominated in Renminbi and the remaining were denominated in HKD and USD. Approximately 69% of the Group's borrowings were at fixed interest rate.

As at 30 June 2020, approximately 48% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuation in foreign exchange rates. As non-Renminbi currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-Renminbi currencies and has entered into certain forward contracts so as to hedge against the potential exchange loss in future years. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose.

In view of the potential Renminbi exchange rate fluctuations, the Group will continuously consider appropriate measures including matching non-Renminbi borrowings with corresponding non-Renminbi assets and arranging appropriate level of hedging instruments.

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

(RMB million)	**As at 30 June 2020**	**As a percentage of total borrowings**	As at 31 December 2019	As a percentage of total borrowings
Within 1 year	**22,040**	**25%**	9,295	11%
1 to 2 years	**23,865**	**28%**	29,766	35%
2 to 5 years	**23,806**	**27%**	29,580	35%
Over 5 years	**17,690**	**20%**	15,266	19%
Total	**87,401**	**100%**	83,907	100%

As at 30 June 2020, total pledged assets accounted for approximately 5% of the total assets of the Group (31 December 2019: 7%).

In line with the prevailing commercial practice in the mainland China, the Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 30 June 2020, the total amount of the aforesaid guarantees provided by the Group was RMB12,724 million (31 December 2019: RMB9,595 million).

BUSINESS REVIEW

Property Development

Recognized sales

Revenue from property development segment increased by 26% in the first half of 2020 to RMB16,107 million as compared to RMB12,744 million for the corresponding period in 2019. Saleable GFA delivered increased by 23% from approximately 1,015,000 sq.m. in the first half of 2019 to approximately 1,248,000 sq.m. in the first half of 2020. Excluding car park sales, the average selling price recognized in the first half of 2020 increased to approximately RMB15,000 per sq.m. (first half of 2019: RMB13,600 per sq.m.). The increase was mainly due to more resettlement housing projects delivered during the first half of 2019.

Revenue and saleable GFA delivered by cities during the first half of 2020 are set out as follows:

Regions	**Cities**	**Revenue**	**Saleable GFA delivered**	**Average selling price recognized**
		(RMB million)	*(sq.m.)*	*(RMB/sq.m.)*
Beijing Region	Beijing	1,170	16,721	70,000
	Shijiazhuang	98	9,408	10,400
	Qinhuangdao	642	29,641	21,700
		1,910	**55,770**	**34,200**
Bohai Rim Region	Tianjin	1,740	91,178	19,100
	Dalian	58	6,767	8,600
	Shenyang	1,606	169,814	9,500
	Qingdao	70	6,283	11,100
	Yantai	283	22,525	12,600
		3,757	**296,567**	**12,700**

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Eastern Region	Shanghai	71	2,276	31,200
	Hangzhou	588	19,763	29,800
	Nanjing	1,945	164,359	11,800
	Suzhou	149	8,478	17,600
	Wuxi	147	9,512	15,500
	Jiaxing	1,971	133,400	14,800
	Changzhou	105	7,880	13,300
	Taizhou	111	5,318	20,900
	Wenzhou	98	4,512	21,700
		5,185	**355,498**	**14,600**
Southern Region	Shenzhen	1,834	28,568	64,200
	Zhongshan	28	3,074	9,100
	Foshan	20	1,765	11,300
	Zhangzhou	420	61,088	6,900
		2,302	**94,495**	**24,400**
Central Region	Wuhan	101	6,452	15,700
	Hefei	294	29,929	9,800
	Changsha	66	4,366	15,100
		461	**40,747**	**11,300**
Western Region	Chengdu	30	3,938	7,600
	Chongqing	1,302	115,539	11,300
	Kunming	416	58,186	7,100
		1,748	**177,663**	**9,800**
	Other projects	11	1,763	6,200
Subtotal (excluding carparks)		**15,374**	**1,022,503**	**15,000**
Carparks (various projects)		733	225,498	3,300
Total		**16,107**	**1,248,001**	**12,900**

Contracted sales

As a result of the novel coronavirus epidemic, the Group's contracted sales (including its joint ventures and associates) during the six months ended 30 June 2020 amounted to RMB41,840 million, representing an approximately 30% decrease as compared to RMB60,080 million from the corresponding period in 2019. GFA sold for the first half of 2020 decreased by 23% to 2,185,700 sq.m. (first half of 2019: 2,850,900 sq.m.). Excluding car park sales, the average selling price decreased by approximately 6% to RMB20,600 per sq.m. (first half of 2019: RMB21,900 per sq.m.).

The contracted sales amounts and saleable GFA sold by cities during the first half of 2020 are set out as follows:

Regions	**Cities**	**Contracted Sales** *(RMB million)*	**Saleable GFA sold** *(sq.m.)*	**Average selling price** *(RMB/sq.m.)*
Beijing Region	Beijing	8,913	207,400	43,000
	Shijiazhuang	456	31,800	14,300
	Langfang	411	23,300	17,600
	Zhangjiakou	118	13,100	9,000
	Qinhuangdao	1,558	80,000	19,500
	Taiyuan	529	48,700	10,900
		11,985	**404,300**	**29,600**
Bohai Rim Region	Tianjin	3,899	249,200	15,600
	Dalian	814	43,000	18,900
	Shenyang	218	20,600	10,600
	Qingdao	2,378	66,200	35,900
	Jinan	1,151	81,700	14,100
	Yantai	53	3,700	14,300
		8,513	**464,400**	**18,300**
Eastern Region	Shanghai	1,199	33,500	35,800
	Hangzhou	4,923	147,200	33,400
	Nanjing	335	27,000	12,400
	Suzhou	1,324	65,300	20,300
	Wuxi	829	56,200	14,800
	Jiaxing	397	31,200	12,700
	Chuzhou	15	1,800	8,300
	Changzhou	37	2,600	14,200
	Taizhou	127	4,000	31,800
	Shaoxing	233	11,100	21,000
	Wenzhou	216	6,300	34,300
		9,635	**386,200**	**24,900**

Regions	Cities	Contracted Sales *(RMB million)*	Saleable GFA sold *(sq.m.)*	Average selling price *(RMB/sq.m.)*
Southern Region	Shenzhen	1,199	20,500	58,500
	Zhongshan	738	82,300	9,000
	Guangzhou	862	43,500	19,800
	Foshan	490	42,400	11,600
	Zhanjiang	448	51,900	8,600
	Maoming	52	10,500	5,000
	Hong Kong	31	200	155,000
	Fuzhou	674	53,400	12,600
	Xiamen	594	15,000	39,600
	Zhangzhou	16	2,100	7,600
	Longyan	325	31,500	10,300
		5,429	**353,300**	**15,400**
Central Region	Wuhan	1,531	64,500	23,700
	Hefei	201	18,400	10,900
	Zhengzhou	165	20,300	8,100
	Changsha	48	5,700	8,400
	Nanchang	214	20,700	10,300
		2,159	**129,600**	**16,700**
Western Region	Chengdu	816	49,600	16,500
	Chongqing	292	20,800	14,000
	Xi'an	1,651	137,800	12,000
	Kunming	98	9,600	10,200
	Guiyang	134	12,300	10,900
		2,991	**230,100**	**13,000**
	Other projects	216	23,000	9,400
Subtotal (excluding carparks)		**40,928**	**1,990,900**	**20,600**
Carparks (various projects)		912	194,800	4,700
Total		**41,840**	**2,185,700**	**19,100**

Landbank

As at 30 June 2020, the landbank of the Group (including its joint ventures and associates) slightly increased to 37,418,000 sq.m. (As at 31 December 2019: 37,243,000 sq.m.); and landbank with attributable interest also slightly increased to 20,163,000 sq.m. (As at 31 December 2019: 20,119,000 sq.m.). During the first half of 2020, we acquired 16 plots of land and 2 developed projects, of which the total GFA and attributable interest GFA were approximately 2,014,000 sq.m. and 1,171,000 sq.m., respectively. The average acquisition cost per sq.m. of the newly acquired land plots for residential development was RMB11,200. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2020 was approximately RMB7,800 (As at 31 December 2019: RMB7,500).

The landbank details of the Group and its joint ventures and associates as at 30 June 2020 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA *('000 sq.m.)*	Approximate total saleable GFA *('000 sq.m.)*	Remaining landbank *('000 sq.m.)*	Interest attributable to the Group *(%)*
Beijing Region	Beijing	26 Block	Shunyi District, Beijing	249	223	157	23.00%
		Anzhen Project	Chaoyang District, Beijing	46	–	46	17.71%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	100.00%
		Changping Sci-tech Park F2 Project	Changping District, Beijing	256	193	251	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	118	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	224	40.00%
		Jasper Epoch	Daxing District, Beijing	92	78	92	49.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	126	11.10%
		Mentougou Tanzhe Temple Project	Mentougou District, Beijing	430	344	430	10.00%
		Mizhiyun Project	Miyun District, Beijing	80	71	42	90.00%
		Ocean Epoch	Shijingshan District, Beijing	264	198	18	100.00%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	53	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	165	75.00%
		Ocean Rayzone	Fengtai District, Beijing	441	331	441	17.25%
		Ocean Shinkong Center	Tongzhou District, Beijing	479	334	379	50.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	595	21.00%
		Our New World	Fangshan District, Beijing	109	91	16	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	132	20.00%
		Senior Living L'Amore	Shunyi District, Beijing	49	–	49	60.00%
		The CBD's Private Palace	Daxing District, Beijing	436	383	71	100.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	230	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	300	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	100.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	50.07%
				6,631	**5,224**	**5,212**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Shijiazhuang	Ande Life Memorial Park	Jingxing County, Shijiazhuang	18	3	18	40.00%
		Chang'an District Redevelopment Project	Chang'an District, Shijiazhuang	363	268	361	30.70%
		Family Park	Chang'an District, Shijiazhuang	132	108	132	51.00%
		Family Park, Phase II	Chang'an District, Shijiazhuang	84	66	84	51.00%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	152	47.94%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang'an District, Shijiazhuang	228	171	220	51.00%
				1,092	**859**	**1,082**	
	Langfang	Canal Bay	Xianghe County, Langfang	269	180	269	20.00%
		Sino-Ocean Brilliant Courtyard	Guangyang District, Langfang	1,897	954	1,897	38.00%
				2,166	**1,134**	**2,166**	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	203	60.00%
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,271	100.00%
	Taiyuan	Ocean Seasons	Wanbailin District, Taiyuan	308	254	308	90.00%
		Sino-Ocean Oriental Mansion	Yingze District, Taiyuan	105	81	105	80.00%
		Villa Epoch	Yangqu County, Taiyuan	54	34	54	44.00%
				467	**369**	**467**	
				11,997	**8,992**	**10,401**	
Bohai Rim Region	Tianjin	Beichen Logistics Project	Beichen District, Tianjin	124	–	124	14.19%
		Boda Logistics Project	Wuqing District, Tianjin	285	–	285	24.50%
		Elegant Prestige	Jinnan District, Tianjin	285	194	32	25.00%
		Happy Light Year	Wuqing District, Tianjin	504	317	504	49.98%
		Longfor Mansion	Jinnan District, Tianjin	227	171	100	33.00%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,828	51.00%
		Ocean City	Binhai New Area, Tianjin	2,137	1,929	41	100.00%
		Ocean Epoch	Binhai New Area, Tianjin	35	25	25	100.00%
		Ocean Great Harmony	Xiqing District, Tianjin	350	290	47	100.00%
		Ocean Inside	Binhai New Area, Tianjin	183	176	45	60.00%
		Ocean Prospect	Dongli District, Tianjin	321	309	50	100.00%
		Royal River	Wuqing District, Tianjin	349	333	27	100.00%
		Sino-Fusion Baodi Logistics Park	Baodi District, Tianjin	32	–	32	49.00%
		Sino-Ocean Brilliant Courtyard	Binhai New Area, Tianjin	675	488	271	64.28%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	340	42.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	42.86%
				9,288	**7,367**	**4,936**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	1,071	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	189	51.00%
		Ocean The Piedmont Epoch	Lushunkou District, Dalian	68	46	68	100.00%
		Ocean Worldview	Jinzhou District, Dalian	1,902	1,645	367	100.00%
		Sino-Ocean Technopole	Jinzhou District, Dalian	922	540	922	100.00%
		The Place of Glory	Ganjingzi District, Dalian	925	875	157	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				5,614	**4,653**	**2,885**	
	Shenyang	Grand Canal Milestone	Shenhe District, Shenyang	382	257	8	100.00%
		The Mountain Echo	Hunnan District, Shenyang	212	169	26	100.00%
				594	**426**	**34**	
	Changchun	Orient Palace	Nanguan District, Changchun	73	60	73	20.00%
	Qingdao	Ocean Crown	Fushan New District, Qingdao	125	95	125	59.50%
		Ocean Great Harmony	Shibei District, Qingdao	377	270	377	43.00%
		Ocean Royal City	Jiaozhou City, Qingdao	333	269	140	75.00%
				835	**634**	**642**	
	Jinan	Ocean Epoch	Lixia District, Jinan	390	371	390	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	228	22.04%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	379	60.31%
				997	**816**	**997**	
	Yantai	Sino-Ocean Donglai County	Laishan District, Yantai	43	42	17	100.00%
				17,444	**13,998**	**9,584**	
Eastern Region	Shanghai	Chongming Dongtan Project	Chongming District, Shanghai	1,072	672	833	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	23	100.00%
		Ocean Melody	Pudong New Area, Shanghai	323	279	55	100.00%
		Wellness Masterpiece	Qingpu District, Shanghai	49	41	49	50.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	35.42%
				1,557	**1,037**	**1,014**	
	Hangzhou	Canal Business Center Project	Gongshu District, Hangzhou	609	292	10	60.00%
		Jiulongwan Project	West Lake District, Hangzhou	20	–	20	100.00%
		Neo 1	Gongshu District, Hangzhou	43	40	43	50.00%
		Ocean River Masterpiece	Yuhang District, Hangzhou	107	73	13	51.00%
		Sino-Ocean Native Place	Xiaoshan District, Hangzhou	68	41	5	100.00%
		Xiangfu Plot, Gongshu District	Gongshu District, Hangzhou	44	33	44	51.00%
		Xixi Mansion	Yuhang District, Hangzhou	395	285	368	100.00%
				1,286	**764**	**503**	
	Nanjing	Ocean Landscape	Jiangning District, Nanjing	147	121	40	70.00%
		Ocean Seasons	Lishui District, Nanjing	234	184	78	100.00%
		Sino-Ocean Tangyue Landscape	Liuhe District, Nanjing	54	52	36	100.00%
				435	**357**	**154**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Suzhou	Easy Town	Huqiu District, Suzhou	104	85	104	16.50%
		Kunshan Yushan Logistics Project	Kunshan City, Suzhou	62	–	62	16.66%
		Mansion Yue	Wujiang District, Suzhou	150	147	150	70.00%
		Ocean Melody	Taicang City, Suzhou	105	77	97	34.00%
		Rocker Park	Huqiu District, Suzhou	240	198	240	30.00%
		Shaxi Logistics Project	Taicang City, Suzhou	56	–	56	16.66%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	68.75%
		The Lake Garden	Wujiang District, Suzhou	113	79	21	34.00%
		Zhangjiagang Logistics Project	Zhangjiagang City, Suzhou	59	–	59	16.66%
				938	**586**	**838**	
	Wuxi	Scenery Mansion	Yixing City, Wuxi	109	79	109	100.00%
		Taihu Milestone (formerly known as Yuqin Project)	Xinwu District, Wuxi	116	93	7	80.00%
				225	**172**	**116**	
	Jiaxing	East Lake	Haining City, Jiaxing	109	73	109	33.00%
		Lakeside Wonderland	Xiuzhou District, Jiaxing	134	124	31	33.00%
		Ocean Lake Mansion	Haining City, Jiaxing	95	91	28	100.00%
		Pinghu Logistics Project	Pinghu City, Jiaxing	72	–	72	16.10%
		Ultimate Joy Mansion	Jiashan County, Jiaxing	122	106	18	30.00%
		Zhapu Logistics Center	Pinghu City, Jiaxing	44	–	44	27.82%
				576	**394**	**302**	
	Chuzhou	Ocean Mansion	Chahe Town, Chuzhou	108	82	108	100.00%
	Changzhou	Sky Peninsula	Yanshan New Area, Changzhou	101	99	34	40.00%
	Taizhou	Mansion	Jiaojiang District, Taizhou	79	65	62	40.00%
	Shaoxing	Ocean Yue Masterpiece	Keqiao District, Shaoxing	93	93	93	100.00%
	Wenzhou	Harbor Heart	Ouhai District, Wenzhou	87	66	87	100.00%
		Ocean Century Mansion	Longwan District, Wenzhou	153	107	121	100.00%
				240	**173**	**208**	
	Yangzhou	Grand Canal Milestone	Guangling District, Yangzhou	56	43	56	89.00%
	Xuzhou	Jiawang Industrial Park	Jiawang District, Xuzhou	86	–	86	27.82%
	Ningbo	Sino-Fusion Yuyao Simen Logistics Park	Yuyao City, Ningbo	56	–	56	28.21%
				5,836	**3,865**	**3,630**	
Southern Region	Shenzhen	Lishan Project	Nanshan District, Shenzhen	156	70	156	60.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	145	84.70%
		Ocean Palace	Nanshan District, Shenzhen	196	82	196	56.88%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	87	60.00%
		Sino-Ocean Dream Land	Longgang District, Shenzhen	401	292	6	100.00%
				1,957	**1,215**	**1,123**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	1,113	75.00%
		King Realm	Dongsheng Town, Zhongshan	181	134	8	75.00%
		Leader Mountain	Wuguishan Town, Zhongshan	187	137	95	50.00%
		Ocean City	Eastern District, Zhongshan	2,083	1,736	94	100.00%
		Ocean Emerald	Nantou Town, Zhongshan	437	412	49	51.00%
		Ocean Longshire	Henglan Town, Zhongshan	96	85	13	100.00%
		SCity (formerly known as Suixicun 162 Project, Nantou)	Nantou Town, Zhongshan	90	68	90	34.00%
		SCity (formerly known as Suixicun 163 Project, Nantou)	Nantou Town, Zhongshan	34	26	34	34.00%
		Sino-Ocean Aristocratic Family	Eastern District, Zhongshan	103	78	26	24.50%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	210	51.00%
		Zhonghui City (formerly known as Suixicun 135 Project, Nantou)	Nantou Town, Zhongshan	43	33	43	34.00%
		Zhonghui City (formerly known as Suixicun 136 Project, Nantou)	Nantou Town, Zhongshan	83	62	83	30.00%
		Zhonghui City (formerly known as Suixicun 137 Project, Nantou)	Nantou Town, Zhongshan	107	102	107	45.00%
				4,826	**4,069**	**1,965**	
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	141	40.00%
		Elite Palace	Tianhe District, Guangzhou	310	279	61	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	141	51.00%
		Honoka Project in Baiyun District	Baiyun District, Guangzhou	285	198	79	16.66%
		Huadu Industrial Park Project	Huadu District, Guangzhou	472	–	472	55.69%
				1,387	**660**	**894**	
	Foshan	Delight River	Sanshui District, Foshan	207	192	207	50.00%
		Elite Palace	Sanshui District, Foshan	259	191	221	100.00%
				466	**383**	**428**	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	612	63.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	291	289	291	51.00%
	Hong Kong	Cheung Sha Project	Islands District, Hong Kong	3	3	3	100.00%
		LP6	Tseung Kwan O, Hong Kong	137	136	137	40.00%
		Yin Chong Street Project, Mongkok	Yau Tsim Mong District, Hong Kong	3	3	3	100.00%
				143	**142**	**143**	
	Fuzhou	East Bay	Mawei District, Fuzhou	82	65	82	50.00%
		East Bay Upgrade	Mawei District, Fuzhou	51	42	51	33.50%
		Sino-Ocean Landscape	Mawei District, Fuzhou	89	74	89	55.00%
				222	**181**	**222**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Xiamen	The Only One	Xiang'an District, Xiamen	52	35	52	50.00%
		Top Mansion	Xiang'an District, Xiamen	75	49	75	50.00%
				127	**84**	**127**	
	Zhangzhou	Sino-Ocean Scenery	Zhao'an County, Zhangzhou	81	79	18	70.00%
	Longyan	Sino-Ocean Landscape	Xinluo District, Longyan	203	160	203	51.00%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	77	100.00%
	Haikou	Ocean Zen House	Xiuying District, Haikou	117	106	5	100.00%
				10,609	**7,972**	**6,108**	
Central Region	Wuhan	Dongxihu Logistics Project	Dongxihu District, Wuhan	47	–	47	28.21%
		Hejiadun Project	Jianghan District, Wuhan	1,019	972	432	55.90%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	49.00%
		Ocean Seasons	Jianghan District, Wuhan	35	25	35	55.90%
		Oriental World View	Hanyang District, Wuhan	1,880	1,509	1,880	10.50%
		Yanyangtian Project, Jiang'an District	Jiang'an District, Wuhan	178	80	178	70.00%
				3,248	**2,586**	**2,661**	
	Hefei	Metropolis 1907	Binhu New Area, Hefei	322	242	170	25.00%
		Ocean Glory	Feidong County, Hefei	197	186	165	100.00%
		Sino-Ocean Landscape	Feidong County, Hefei	200	180	200	52.43%
				719	**608**	**535**	
	Zhengzhou	Ocean Landscape Courtyard	Xingyang City, Zhengzhou	204	150	204	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	43	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	169	38.00%
				416	**346**	**416**	
	Nanchang	Ocean Palace	Wanli District, Nanchang	173	122	173	51.00%
				4,556	**3,662**	**3,785**	
Western Region	Chengdu	Foothill City	Longquanyi District, Chengdu	320	263	320	8.00%
		Ocean Crown	Qingyang District, Chengdu	99	46	99	60.00%
		Ocean Habitat	Chongzhou City, Chengdu	123	98	116	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	71	38	71	24.50%
		Ocean Sky Glory	Jinniu District, Chengdu	122	106	122	12.25%
		Qingbaijiang Internet Data Center	Qingbaijiang District, Chengdu	193	–	193	24.01%
		Qingbaijiang Logistics Project	Qingbaijiang District, Chengdu	276	–	276	28.21%
		Royal Mansion	Pidu District, Chengdu	139	99	139	24.50%
		Sino-Ocean Taikoo Li Chengdu	Jinjiang District, Chengdu	417	362	128	50.00%
				1,760	**1,012**	**1,464**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	102	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	178	24.50%
		Jiangjin Logistics Project	Jiangjin District, Chongqing	60	–	60	16.66%
		Liangjiang New Town Internet Data Center	Liangjiang New Area, Chongqing	40	–	40	49.00%
		Ocean City (formerly known as Gaomiao Project, Jiulongpo)	Jiulongpo District, Chongqing	126	125	95	50.00%
		Ocean City (formerly known as Gaomiao Project, Phase II, Jiulongpo)	Jiulongpo District, Chongqing	285	213	9	50.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	165	122	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	192	42.50%
				1,549	**1,186**	**798**	
	Xi'an	Emperor Chic	Weiyang District, Xi'an	321	316	321	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Qinhan Logistics Center	Xianyang City, Xi'an	67	–	67	27.82%
		Sino-Ocean Jinghe New Town Internet Data Center	Xixian New Area, Xi'an	60	–	60	49.00%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	292	56.00%
				887	**635**	**887**	
	Kunming	Chenggong Project	Chenggong District, Kunming	222	218	163	70.00%
		Chenggong Project, Phase II	Chenggong District, Kunming	99	88	99	70.00%
		Sino-Ocean Esthetics Mansion	Panlong District, Kunming	164	145	164	37.15%
				485	**451**	**426**	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	165	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	100	89.80%
				265	**210**	**265**	
				4,946	**3,494**	**3,840**	
Other Region	Singapore	Cairnhill 16	Area 9, Singapore	4	4	4	30.00%
	Indonesia	Alam Sutera Project	Greater Jakarta, Indonesia	66	57	66	28.00%
				70	**61**	**70**	
Total				**55,458**	**42,044**	**37,418**	

Property Investment

During the first half of 2020, revenue from property investment decreased by 12% to RMB270 million (first half of 2019: RMB306 million), which was mainly due to the adverse impact caused by the novel coronavirus epidemic. As at 30 June 2020, the Group (including its joint ventures and associates) held more than 19 operating investment properties, in which the majority were office units.

The investment properties of the Group and its joint ventures and associates as at 30 June 2020 is set out as follows:

Projects	Districts	Approximate leasable area	Office premises	Retail space	Logistics projects	Others	Occupancy rate	Interest attributable to the Group
		(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*	*(%)*
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	77,000	8,000	–	18,000	79%	100%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	92%	72%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	91%	100%
North Carolina Project (USA)	Durham, North Carolina	12,000	12,000	–	–	–	78%	56%
San Francisco Project (USA)	Financial District, San Francisco	6,000	6,000	–	–	–	100%	100%
Other projects		66,000	16,000	35,000	–	15,000		
Subtotal		245,000	137,000	71,000	–	37,000		
Other								
China Life Financial Center (Beijing)	Chaoyang District, Beijing	111,000	111,000	–	–	–	35%	10%
Diamond Plaza (Beijing)	Haidian District, Beijing	22,000	20,000	–	–	2,000	100%	35%
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	84%	69%
INDIGO (Beijing)	Chaoyang District, Beijing	225,000	52,000	48,000	–	125,000	96%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	90%	35%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	107,000	81,000	12,000	–	14,000	81%	50%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	–	95%	64%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	71%	69%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	96%	64%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	55,000	1,000	–	–	57%	36%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	60%	28%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	62,000	46,000	4,000	–	12,000	84%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	68,000	–	67,000	–	1,000	93%	60%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	Jinjiang District, Chengdu	115,000	–	84,000	–	31,000	95%	50%
Other projects		560,000	69,000	81,000	290,000	120,000		
Subtotal		1,548,000	555,000	383,000	290,000	320,000		
Total		**1,793,000**	**692,000**	**454,000**	**290,000**	**357,000**		

Employees and Human Resources

As of 30 June 2020, the Group had 13,646 employees (31 December 2019: 12,613). The increase in the number of employees was mainly due to the strengthening of the front-line sales department.

The Group will always keep pace with the times and strive to improve human resource efficiency and corporate governance capabilities, and provide different training and development programmes to achieve the effect of attracting, motivating and retaining talented staff, so that these talented staff can ultimately bring in higher return to our shareholders and investors.

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2020 are as follows:

Condensed Consolidated Interim Balance Sheet

	Note	**As at 30 June 2020** ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,763,350**	1,775,320
Right-of-use assets		**151,468**	190,869
Land use rights		**196,684**	180,566
Intangible assets		**71,196**	29,582
Investment properties		**13,337,269**	13,328,198
Goodwill		**148,515**	195,708
Investments in joint ventures		**15,377,524**	17,355,309
Investments in associates		**7,425,581**	6,846,347
Financial assets at fair value through other comprehensive income		**2,608,684**	2,715,647
Financial assets at fair value through profit or loss		**6,891,858**	6,446,074
Trade and other receivables and prepayments	*5*	**14,215,668**	12,841,234
Deferred income tax assets		**1,465,073**	1,439,498
Total non-current assets		**63,652,870**	63,344,352
Current assets			
Prepayments for land use rights		**1,951,260**	2,228,844
Properties under development		**69,409,170**	60,378,181
Inventories, at cost		**540,604**	457,001
Land development cost recoverable		**1,549,415**	1,234,217
Completed properties held for sale		**18,359,025**	18,353,178
Financial assets at fair value through profit or loss		**577,989**	266,304
Trade and other receivables and prepayments	*5*	**53,130,844**	61,163,136
Contract assets		**1,161,073**	2,708,018
Restricted bank deposits		**1,839,983**	2,511,683
Cash and cash equivalents		**41,899,452**	31,054,201
Total current assets		**190,418,815**	180,354,763
Total assets		**254,071,685**	243,699,115

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Capital		**27,329,232**	27,329,232
Shares held for Restricted Share Award Scheme		**(179,849)**	(167,227)
Reserves		**(1,656,772)**	(1,132,536)
Retained earnings		**24,919,225**	23,877,717
		50,411,836	49,907,186
Non-controlling interests		**16,732,194**	15,703,909
Total equity		**67,144,030**	65,611,095
LIABILITIES			
Non-current liabilities			
Borrowings		**65,361,641**	74,611,619
Trade and other payables	6	**18,837**	18,581
Lease liabilities		**101,065**	130,257
Deferred income tax liabilities		**3,191,458**	2,946,869
Total non-current liabilities		**68,673,001**	77,707,326
Current liabilities			
Borrowings		**22,039,511**	9,295,332
Trade and other payables	6	**60,250,590**	55,010,743
Contract liabilities		**25,599,293**	25,458,320
Lease liabilities		**55,941**	64,223
Income tax payables		**10,183,860**	10,500,972
Financial liabilities at fair value through profit or loss		**125,459**	51,104
Total current liabilities		**118,254,654**	100,380,694
Total liabilities		**186,927,655**	178,088,020
Total equity and liabilities		**254,071,685**	243,699,115

Condensed Consolidated Interim Income Statement

	Note	Unaudited Six months ended 30 June **2020** ***RMB'000***	 2019 *RMB'000*
Revenue	*4*	**19,374,264**	16,473,674
Cost of sales		**(14,903,806)**	(13,114,622)
Gross profit		**4,470,458**	3,359,052
Interest and other income		**1,380,455**	1,506,695
Other gains — net	*7*	**124,484**	572,996
Fair value (losses)/gains on investment properties		**(22,942)**	375,327
Selling and marketing expenses		**(469,207)**	(467,313)
Administrative expenses		**(749,616)**	(861,716)
Operating profit		**4,733,632**	4,485,041
Finance costs	*8*	**(961,872)**	(912,161)
Share of gains of joint ventures		**68,460**	837,163
Share of gains of associates		**155,963**	85,979
Profit before income tax		**3,996,183**	4,496,022
Income tax expense	*9*	**(2,017,116)**	(1,962,588)
Profit for the period		**1,979,067**	2,533,434
Attributable to:			
Owners of the Company		**1,222,806**	1,875,194
Non-controlling interests		**756,261**	658,240
		1,979,067	2,533,434
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.161**	0.248
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	*10*	**0.161**	0.248

Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Profit for the period	**1,979,067**	2,533,434
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Fair value losses on financial assets at fair value through other comprehensive income	**(93,621)**	(14,688)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(152,674)**	(6,702)
Deferred hedging gains and losses	**(105,631)**	–
Fair value gains on property, plant and equipment transferred to investment properties	**–**	17,808
Share of other comprehensive income of investments accounted for using the equity method	**–**	(26,956)
Other comprehensive income for the period	**(351,926)**	(30,538)
Total comprehensive income for the period	**1,627,141**	2,502,896
Total comprehensive income attributable to:		
— Owners of the Company	**801,517**	1,827,195
— Non-controlling interests	**825,624**	675,701
	1,627,141	2,502,896

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

Sino-Ocean Group Holding 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 17 August 2020 by the Board of directors.

The outbreak of the 2019 Novel Coronavirus ("COVID-19") had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the industry of real estate including the construction and delivery of properties, rental revenue and occupancy rate of investment properties, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 doesn't have any material adverse impact on the financial position and operating result of the Group.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The financial information relating to the year ended 31 December 2019 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2020 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The significant accounting policies related to the Group's new business are set out below.

3.1 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or

- hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedging, The Group documents the economic, relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

4 SEGMENT INFORMATION

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

The Committee considers the business from both a geographic and product perspective. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically.

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

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

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

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

	Unaudited								
	Property development								
	Beijing	**Bohai Rim Region**	**Eastern China**	**Southern China**	**Central China**	**Western China**	**Investment property**	**All other segments**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2020									
Total segment revenue	**1,968,881**	**4,176,364**	**5,360,602**	**2,339,050**	**474,372**	**1,788,029**	**273,358**	**4,770,552**	**21,151,208**
Inter-segment revenue	**(898)**	**–**	**–**	**–**	**–**	**–**	**(2,128)**	**(1,773,918)**	**(1,776,944)**
Revenue (from external customers)	**1,967,983**	**4,176,364**	**5,360,602**	**2,339,050**	**474,372**	**1,788,029**	**271,230**	**2,996,634**	**19,374,264**
Segment operating profit	**75,462**	**1,321,969**	**834,647**	**491,297**	**12,449**	**327,791**	**186,371**	**1,736,743**	**4,986,729**
Depreciation and amortization	**(1,285)**	**(677)**	**(388)**	**(294)**	**(71)**	**(209)**	**(79)**	**(33,393)**	**(36,396)**
Six months ended 30 June 2019									
Total segment revenue	2,513,546	4,221,806	728,092	3,500,994	885,040	895,678	321,226	5,197,245	18,263,627
Inter-segment revenue	(850)	–	–	–	–	–	(15,736)	(1,773,367)	(1,789,953)
Revenue (from external customers)	2,512,696	4,221,806	728,092	3,500,994	885,040	895,678	305,490	3,423,878	16,473,674
Segment operating profit	410,831	399,199	74,556	1,041,843	66,266	181,322	103,896	1,554,168	3,832,081
Depreciation and amortization	(181)	(1,045)	(454)	(496)	(166)	(249)	(197)	(71,428)	(74,216)

	Property development								
	Beijing	**Bohai Rim Region**	**Eastern China**	**Southern China**	**Central China**	**Western China**	**Investment property**	**All other segments**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2020 (Unaudited)									
Total segment assets	**28,175,881**	**21,609,924**	**33,506,574**	**20,614,804**	**8,720,464**	**6,877,873**	**15,883,807**	**71,472,354**	**206,861,681**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**310**	**1,140**	**43**	**68**	**–**	**6**	**4,763**	**107,993**	**114,323**
Total segment liabilities	**12,424,732**	**14,484,631**	**20,150,890**	**10,101,257**	**2,460,064**	**2,856,171**	**1,008,327**	**32,723,514**	**96,209,586**
As at 31 December 2019 (Audited)									
Total segment assets	23,309,429	19,037,321	26,646,381	20,128,888	7,602,302	6,912,262	13,968,275	88,409,442	206,014,300
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,198	513	2,269	1,634	631	122	829,306	2,015,760	2,853,433
Total segment liabilities	9,825,876	14,728,753	16,404,363	9,607,664	2,193,862	3,075,154	691,947	34,655,477	91,183,096

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

	Unaudited Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Segment operating profit	**4,986,729**	3,832,081
Corporate finance income	**26,969**	36,863
Corporate overheads	**(381,608)**	(332,226)
Fair value (losses)/gains on investment properties	**(22,942)**	375,327
Other gains — net *(Note 7)*	**124,484**	572,996
Finance costs *(Note 8)*	**(961,872)**	(912,161)
Share of gains of joint ventures	**68,460**	837,163
Share of gains of associates	**155,963**	85,979
Profit before income tax	**3,996,183**	4,496,022

	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
	RMB'000	*RMB'000*
Reportable and other segments' assets are reconciled to total assets as follows:		
Total segment assets	**206,861,681**	206,014,300
Corporate cash and cash equivalents	**12,863,295**	2,615,636
Investments in joint ventures	**15,377,524**	17,355,309
Investments in associates	**7,425,581**	6,846,347
Financial assets at fair value through other comprehensive income	**2,608,684**	2,715,647
Financial assets at fair value through profit or loss	**7,469,847**	6,712,378
Deferred income tax assets	**1,465,073**	1,439,498
Total assets per consolidated balance sheet	**254,071,685**	243,699,115
Reportable and other segments' liabilities are reconciled to total liabilities as follows:		
Total segment liabilities	**96,209,586**	91,183,096
Current borrowings	**22,039,511**	9,295,332
Non-current borrowings	**65,361,641**	74,611,619
Deferred income tax liabilities	**3,191,458**	2,946,869
Financial liabilities at fair value through profit or loss	**125,459**	51,104
Total liabilities per consolidated balance sheet	**186,927,655**	178,088,020

For the six months ended 30 June 2020, included in the revenue of sales of properties, RMB12,838,134,000 was recognised as a point in time, RMB3,268,266,000 was recognised over the period due to the adoption of HKFRS 15.

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 2020 and 2019.

As at 30 June 2020, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB36,778,568,000 (31 December 2019: RMB38,178,235,000), the total of these non-current assets located in Hong Kong and the United States RMB1,693,019,000 (31 December 2019: RMB1,723,664,000).

For the six months ended 30 June 2020 and 2019, the Group does not have any single customer with the transaction value over 10% of the total external sales.

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables (a)	**4,331,211**	3,983,044
Other receivables and prepayments (b)	**63,015,301**	70,021,326
	67,346,512	74,004,370
Less: non-current portion	**(14,215,668)**	(12,841,234)
Current portion	**53,130,844**	61,163,136

(a) Trade receivables

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**4,425,177**	4,037,521
Less: provision for impairment of trade receivables	**(93,966)**	(54,477)
	4,331,211	3,983,044
Less: non-current portion	**–**	–
Current portion	**4,331,211**	3,983,044

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 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**3,657,933**	2,331,900
Between 6 months to 1 year	**227,401**	976,052
Between 1 year to 2 years	**468,472**	593,358
Between 2 years to 3 years	**32,450**	128,559
Over 3 years	**38,921**	7,652
	4,425,177	4,037,521

As at 30 June 2020, no trade receivables (2019: nil) were pledged as collateral for the Group's borrowings.

Movements on the provision for impairment of trade receivables are as follows:

	As at 30 June 2020 *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Opening amount at beginning of the period	**(54,477)**	(46,467)
Provision for receivable impairment	**(39,489)**	(8,010)
Closing amount at end of the period	**(93,966)**	(54,477)

(b) Other receivables and prepayments

	As at 30 June 2020 *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Entrusted loans to third parties	**1,566,796**	648,589
Entrusted loans to joint ventures	**8,902,492**	9,803,165
Entrusted loans to associates	**3,428,167**	1,431,745
Entrusted loans to non-controlling interests	**837,700**	837,700
Amounts due from third parties	**1,909,090**	1,688,936
Amounts due from joint ventures	**13,170,517**	18,654,638
Amounts due from associates	**5,361,064**	8,901,985
Amounts due from non-controlling interests	**6,215,952**	8,202,536
Tax prepayments	**6,321,660**	5,849,782
Receivables from government	**2,745,119**	2,516,377
Payment for the cooperation of potential projects	**6,577,033**	6,177,239
Receivables from disposal of interests in subsidiaries	**898,115**	972,977
Other prepayments	**2,100,013**	1,709,832
Other receivables	**3,228,490**	2,872,187
	63,262,208	70,267,688
Less: provision for impairment of other receivables	**(246,907)**	(246,362)
	63,015,301	70,021,326
Less: non-current portion	**(14,215,668)**	(12,841,234)
Current portion	**48,799,633**	57,180,092

6 TRADE AND OTHER PAYABLES

	As at 30 June 2020 *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Trade payables (a)	**18,975,130**	17,789,750
Accrued expenses	**3,234,460**	3,308,010
Amounts due to joint ventures (b)	**8,479,482**	8,791,353
Amounts due to associates (b)	**2,892,149**	3,179,119
Amounts due to non-controlling interests (b)	**4,149,064**	8,247,547
Deposits received	**8,805,629**	2,924,384
Interests and dividends payable	**1,749,684**	1,224,779
Amounts due to government	**19,407**	77,627
Other taxes payable	**4,016,484**	3,787,197
Other payables	**7,947,938**	5,699,558
	60,269,427	55,029,324
Less: non-current portion	**(18,837)**	(18,581)
Current portion	**60,250,590**	55,010,743

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

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

	As at 30 June 2020 *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Within 6 months	**10,432,914**	7,067,779
Between 6 months to 12 months	**6,406,186**	3,652,058
Between 1 year to 2 years	**934,525**	4,711,607
Between 2 years to 3 years	**807,901**	1,819,411
Over 3 years	**393,604**	538,895
	18,975,130	17,789,750

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

7 OTHER GAINS — NET

	Unaudited Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Fair value gains/(losses) of financial assets and liabilities at fair value through profit or loss	**431,267**	(19,469)
Exchange losses	**(229,850)**	(166,020)
(Losses)/gains on disposal of financial assets at fair value through profit or loss	**(70,075)**	23,736
Payment for the settlement of contracted obligations	**(35,522)**	(23,090)
Gains on disposal of joint ventures and an associate	**28,343**	35,323
Gains on disposal of interests in subsidiaries	**–**	697,904
Losses on deemed disposal of joint ventures and associates	**–**	(599)
Negative goodwill on business combination	**–**	798
Other gains	**321**	24,413
	124,484	572,996

8 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Interest expense:		
— Bank borrowings	**554,511**	656,732
— Other borrowings	**1,778,245**	1,914,258
— Lease liabilities	**4,815**	66,155
Less: interest capitalized at a capitalization rate of 5.14% (2019: 5.43%) per annum	**(1,375,699)**	(1,724,984)
	961,872	912,161

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 2020 and 2019. Other companies are mainly subjected to Hong Kong profits tax.

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

	Unaudited	
	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Current income tax:		
— PRC enterprise income tax	**1,122,330**	1,151,443
— PRC land appreciation tax	**652,577**	733,249
Deferred income tax	**242,209**	77,896
	2,017,116	1,962,588

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	
	2020	2019
Profit attributable to owners of the Company *(RMB'000)*	**1,222,806**	1,875,194
Profit used to determine basic earnings per share *(RMB'000)*	**1,222,806**	1,875,194
Weighted average number of ordinary shares in issue *(thousands)*	**7,616,096**	7,553,674
Basic earnings per share *(RMB per share)*	**0.161**	0.248

(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	
	2020	2019
Profit attributable to owners of the Company *(RMB'000)*	**1,222,806**	1,875,194
Profit used to determine diluted earnings per share *(RMB'000)*	**1,222,806**	1,875,194
Weighted average number of ordinary shares in issue *(thousands)*	**7,616,096**	7,553,674
Adjustment for:		
— share options and shares held for the Restricted Share Award Scheme *(thousands)*	**–**	–
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**7,616,096**	7,553,674
Diluted earnings per share *(RMB per share)*	**0.161**	0.248

11 DIVIDENDS

On 17 August 2020, the Board has resolved to declare an interim dividend of RMB426,501,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB752,410,000).

	Unaudited	
	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Final dividend paid	**181,298**	489,258
Proposed interim dividend of RMB0.056 (2019: RMB0.099) per ordinary share	**426,501**	752,410

12 SUBSEQUENT EVENT

On 30 July 2020, a then subsidiary of the Group, Gemini Investments (Holdings) Limited ("Gemini Investment"), announced changes in directorship and board committee composition, amongst which Mr. LI Ming resigned as a non-executive director, the honorary chairman of the board as well as the chairman of the nomination committee of Gemini Investment, after the change, the Group, holding approximately 49.5% of the issued ordinary shares of Gemini Investment, has one representative on the board of directors of Gemini Investment among a total of eight directors.

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

During the six months ended 30 June 2020, 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 5,221,555 shares of the Company at an aggregate consideration of approximately RMB14,830,985 (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 2020.

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2020 has been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2020.

COMPLIANCE WITH THE 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 of Hong Kong Limited ("**Listing Rules**") throughout the six months ended 30 June 2020, except for the deviations as disclosed below:

The roles of the chairman (the "**Chairman**") and the chief executive officer (the "**CEO**") of the Company are served by Mr. LI Ming and have not been segregated as required under code provision A.2.1 of the CG Code. However, the Company considers that the combination of the roles of the Chairman and the CEO involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company. Although the responsibilities of the Chairman and the CEO are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilitates the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

Code provision A.1.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the six months ended 30 June 2020, the Board approved a connected transaction (the "**Transaction**") by way of passing written resolutions in lieu of a physical board meeting, in respect of which a substantial shareholder of the Company and certain Directors who were nominated by such substantial shareholder of the Company were regarded as having material interests. It is considered that the adoption of written resolutions in lieu of a physical board meeting allowed the Board to make decision in relation to the Transaction, which is immaterial to the Group as a whole, in a more efficient manner. Prior to the execution of the written resolutions, board papers regarding details and information, reasons of and benefits, as well as fairness of the Transaction were provided to all Directors in advance for their review and consideration, and all Directors had declared their interests in the matters (if any) in accordance with the articles of association of the Company and applicable laws. The Directors who had material interests in the Transaction abstained from passing the written resolutions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding directors' securities transactions (the "**Code of Conduct**") on terms no less exacting than those required standards set out 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 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 2020.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of RMB0.056 per share (equivalent to HKD0.062 per share, rounded to the nearest three decimal places) (2019: HKD0.110 per share) to shareholders of the Company (the "**Shareholders**") whose names appear on the Company's register of members at the close of business on Wednesday, 2 September 2020. The interim dividend will be paid in cash in Hong Kong dollars. The relevant exchange rate is the average central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the period from Monday, 10 August 2020 to Friday, 14 August 2020 (RMB1 = HKD1.1142). 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 Monday, 5 October 2020.

The register of members of the Company will be closed on Wednesday, 2 September 2020, on which 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 Tuesday, 1 September 2020.

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 2020 will be despatched to Shareholders on or about 11 September 2020 and will be available on the Company's and the Stock Exchange's websites in due course.

APPRECIATION

The Board would like to extend its deepest gratitude to all Shareholders, investors, local authorities, business partners and customers who have been most supportive; also to our Directors, management and the entire staff for their dedicated hard work.

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

Hong Kong, 17 August 2020

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:	*Non-executive Directors:*	*Independent non-executive Directors:*
Mr. LI Ming	Mr. ZHAO Peng	Mr. HAN Xiaojing
Mr. WANG Honghui	Mr. FU Fei	Mr. SUEN Man Tak
Mr. CUI Hongjie	Mr. HOU Jun	Mr. WANG Zhifeng
	Ms. LI Liling	Mr. JIN Qingjun
		Ms. LAM Sin Lai Judy