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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS

- The Group (including its joint ventures and associates) continually adhered to ensuring delivery and completed delivery of approximately 12,000 residential units for the period.
- Total contracted sales amounted to RMB13,370 million, representing a YoY decrease of 27%.
- Revenue amounted to RMB6,203 million, representing a YoY decrease of 53%. The Group actively promoted business transformation during the period, increasing the share of revenue from asset-light businesses. The revenue contribution from property management and related services and other real estate related businesses rose to 45%.
- Gross loss was RMB4,966 million.
- Profit attributable to owners of the Company was RMB10,202 million, as compared to loss attributable to owners of the Company of RMB5,382 million for the corresponding period of 2024. The profit for the period was mainly attributable to the non-cash gains recorded from the completion of the offshore debt restructuring by the Group.
- Total borrowings reduced to RMB66,997 million and total equity increased to RMB8,227 million, as a result of the completion of the offshore debt restructuring by the Group during the period.

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2025.

2025 INTERIM RESULTS

Due to the continuous adjustment in the real estate market of the PRC in recent years, for the six months ended 30 June 2025, the Group's revenue was RMB6,203 million, representing a YoY decrease of 53%; the gross loss was RMB4,966 million (first half of 2024: gross profit of RMB297 million). Profit attributable to owners of the Company was RMB10,202 million. Basic and diluted earnings per share were RMB1.171 and RMB0.919, respectively.

MARKET REVIEW AND OUTLOOK

In the first half of 2025, the Central Government spoke out consistently to encourage the real estate market to reverse its downward trend and get back on the right track for stable growth. Currently the market is in a state of serious adjustments, housing demand needs to be boosted. The industry's growth momentum still faces tremendous challenges and the market in China on the whole stays at a low ebb. In the first half of the year, sales volume of commodity housing in China was RMB4.4 trillion, 5.5% down YoY, 52% down from the same period in 2021. Compressed sales and asset price adjustments meant that the risks within the industry would take time to resolve. At the same time, some property entities were optimising their balance sheet structure, and responding to market changes through measures like deleveraging and asset-light transformation.

Looking ahead to the second half of 2025, the Group thinks that it will take some time for the situation in China's property market to turn around, and industry risks are still in the process of being cleared. The Central Urban Work Conference proposed that "the country's urbanization is shifting from a period of rapid growth to a period of stable development, and urban development is shifting from large-scale incremental expansion to primarily improving the quality and efficiency of existing assets", and emphasized "promoting urban renewal is key", indicating a clear direction to the real estate industry for high quality development. Going forward, the industry will fully enter a new phase of improving quality and efficiency of existing assets, and businesses such as commercial and asset management, senior living services, property management services, urban renewal, and disposal of existing assets will usher in opportunities for rapid development.

FINANCIAL REVIEW¹

The components of the revenue are analyzed as follows:

(RMB million)	Unaudited Six months ended 30 June		Changes
	2025	2024	
Property development	3,296	10,300	-68%
Property investment	144	181	-20%
Property management and related services	1,348	1,361	-1%
Other real estate related businesses	1,415	1,471	-4%
Total	6,203	13,313	-53%

The revenue of the Group in the first half of 2025 was RMB6,203 million, representing a 53% decrease as compared to RMB13,313 million in the first half of 2024. The property development segment remained the largest contributor, which accounted for approximately 53% of the Group's total revenue. During the first half of 2025, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 29%, 18%, 4%, 20%, 22% and 7%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources.

Property management and related services mainly include (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners.

The other real estate related businesses include whole-industrial chain construction services, internet data center and senior living services and etc.

The Group's total cost of sales for the period was RMB11,169 million (first half of 2024: RMB13,016 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 decreased to approximately RMB6,300 (first half of 2024: RMB8,400 per sq.m.). The decrease was mainly caused by fewer projects located in the first and core second tier cities being delivered in the first half of 2025. The average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB5,700 for the first half of 2025 (first half of 2024: RMB5,800 per sq.m.), which was at the same level as the corresponding period of 2024.

Note 1: In preparing the interim condensed consolidated financial statements for the six months ended 30 June 2025, certain account balances as at 1 January 2024 and 31 December 2024 and amounts incurred for the six months ended 30 June 2024 have been restated. For details on the prior year adjustments, please refer to Note 2.2 to the interim condensed consolidated financial statements in this announcement.

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Gross loss for the period was RMB4,966 million (first half of 2024: gross profit of RMB297 million). Gross loss margin was approximately 80% (first half of 2024: gross profit margin of 2%). The recorded gross loss for the period was primarily attributed to the continuous adjustment in the overall PRC real estate market, which led to (i) the decreasing industry gross profit margin; and (ii) the provision made by the Group for inventories.

Interests and other income for the six months ended 30 June 2025 increased by approximately 27% to RMB448 million (first half of 2024: RMB353 million). Such increase was mainly due to the increase in the interest income during the period.

The Group recorded other losses (net) of RMB3,326 million for the period (first half of 2024: RMB479 million). The recorded other losses (net) for the period were primarily due to the deep adjustment and operational difficulties in the real estate market in the PRC. Other losses (net) for the first half of 2025 mainly comprised of fair value losses of financial assets and financial liabilities at fair value through profit or loss, provision for litigation and goodwill impairment.

For the first half of 2025, the Group recorded gains from offshore debt restructuring of RMB31,756 million (first half of 2024: nil). The one-off and non-cash gains were derived from the completion of offshore debt restructuring by the Group during the period.

The Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB644 million for the first half of 2025 (first half of 2024: RMB293 million).

Selling and marketing expenses for the first half of 2025 were RMB361 million (first half of 2024: RMB282 million). The increase for the period was mainly due to the increase in the newly launched projects in the first-tier cities during the period. These costs accounted for approximately 2.7% of the total contracted sales amount for the first half of 2025 (first half of 2024: 1.5%).

Administrative expenses for the first half of 2025 slightly decreased to RMB632 million (first half of 2024: RMB658 million), which represented approximately 10.2% of the total revenue for the first half of 2025 (first half of 2024: 4.9%). We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and low level.

For the first half of 2025, the Group recorded net impairment losses under expected credit loss model of RMB9,725 million (first half of 2024: RMB297 million). The recorded losses for the period were primarily due to the continuous adjustment in the real estate market in the PRC, which led to the provisions made for expected credit losses on the trade and other receivables and financial guarantee by the Group during the first half of 2025.

Our weighted average interest rate increased from 5.60% (restated) for the first half of 2024 to 5.84% for the first half of 2025. During the first half of 2025, the total interest expenses paid or accrued for the period decreased to RMB2,765 million (first half of 2024: RMB2,813 million (restated)), of which RMB2,065 million (first half of 2024: RMB1,948 million (restated)) was not capitalized and charged to interim condensed consolidated statement of profit or loss.

We recorded the aggregate of enterprise income tax and deferred income tax credit of RMB162 million for the first half of 2025 (first half of 2024: tax expense of RMB216 million). The recorded tax credit was mainly attributed to the combined effects of the decrease in revenue and the recorded gross loss during the first half of 2025. In addition, land appreciation tax expense for the first half of 2025 was RMB81 million (first half of 2024: tax credit of RMB646 million). It was mainly due to the reversal of the previous recognized land appreciation tax expense for several projects during the corresponding period of 2024.

The profit attributable to owners of the Company was RMB10,202 million for the first half of 2025 (first half of 2024: loss of RMB5,382 million). The recorded profit for the period was mainly attributed to the non-cash gains recorded from the completion of the offshore debt restructuring by the Group. Excluding the impact of the aforementioned one-off gains from offshore debt restructuring, the Group recorded a loss attributable to owners of the Company for the first half of 2025, which was mainly attributable to (i) the continuous adjustment in the overall real estate market of China in recent years, resulting in a decrease in revenue and gross profit margin, and an increase in the provision for impairment of property projects; and (ii) a decrease in the share of results from joint ventures and associates.

As at 30 June 2025, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB5,831 million, of which approximately 98% (31 December 2024: 99%) of the Group's cash resources were denominated in RMB with the remaining balances mainly denominated in USD and HKD. The current ratio was 0.93. During the first half of 2025, the Group was taking the initiative in mitigating liquidity risks, so as to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts.

As at 30 June 2025, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 743%. The Group completed the offshore debt restructuring, with the Group's borrowings decreased from RMB98,373 million (restated) as at 31 December 2024 to RMB66,997 million as at 30 June 2025. Following the release of loose policies in the real estate market in the PRC in the second half of 2025, we will continue to resolve the debt risks and focus on ensuring the delivery of property projects and lowering the net gearing ratio.

As at 30 June 2025, approximately 68% of the Group's borrowings were made at fixed interest rate. The Group has closely monitored interest rate movements and assessed its impacts to the Group's financial performance and operations.

As at 30 June 2025, approximately 85% of the Group's total borrowings were denominated in RMB and the remaining were denominated in other currencies, such as USD and HKD. As a result, the Group had a net currency exposure to fluctuations in foreign exchange rates. As non-RMB currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-RMB currencies. The Group has never engaged in the dealing of any financial derivative instruments for speculative purposes. Our operation has not been materially affected by the exchange rate fluctuations. The Group will continuously monitor exchange rate movements and consider appropriate measures to reduce the exchange rate risk.

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

<i>(RMB million)</i>	As at 30 June 2025	As a percentage of total borrowings	As at 31 December 2024 (Restated)	As a percentage of total borrowings (Restated)
Within 1 year	41,676	62%	65,935	67%
1 to 2 years	11,416	17%	13,489	14%
2 to 5 years	5,489	8%	13,285	13%
Over 5 years	8,416	13%	5,664	6%
Total	66,997	100%	98,373	100%

As at 30 June 2025, total pledged assets accounted for approximately 45% of the total assets of the Group (31 December 2024: 40%).

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 2025, the total amount of the aforesaid guarantees provided by the Group was RMB11,711 million (31 December 2024: RMB12,716 million).

BUSINESS REVIEW

Property development

Recognized sales

The Group's revenue from property development segment decreased by approximately 68% in the first half of 2025 to RMB3,296 million as compared to RMB10,300 million for the corresponding period in 2024. Saleable GFA delivered decreased by approximately 55% from 755,000 sq.m. for the first half of 2024 to 340,000 sq.m. for the first half of 2025. Excluding car park sales, the average selling price recognized for the first half of 2025 decreased to approximately RMB11,000 per sq.m. (first half of 2024: RMB15,000 per sq.m.). The decrease was mainly due to fewer projects located in first-tier and core second-tier cities being delivered during the first half of 2025.

Revenue and saleable GFA delivered by cities during the first half of 2025 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized
				(RMB/sq.m.)
Beijing Region	Beijing	28	801	35,000
	Taiyuan	274	27,912	9,800
	Qinhuangdao	114	7,937	14,400
	Langfang	413	30,973	13,300
		829	67,623	12,300
Bohai Rim Region	Tianjin	314	17,582	17,900
	Qingdao	28	3,955	7,100
	Jinan	91	7,622	11,900
	Dalian	14	1,384	10,100
	Shenyang	109	10,217	10,700
		556	40,760	13,600

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Eastern Region	Suzhou	6	736	8,200
	Suqian	1	71	14,100
	Wenzhou	78	5,377	14,500
		85	6,184	13,700
Southern Region	Shenzhen	1	118	8,500
	Guangzhou	165	11,786	14,000
	Maoming	1	200	5,000
	Fuzhou	92	7,260	12,700
	Jiangmen	64	8,684	7,400
	Zhongshan	236	29,661	8,000
	Zhanjiang	63	9,395	6,700
		622	67,104	9,300
Central Region	Wuhan	256	18,911	13,500
	Nanchang	6	726	8,300
	Ganzhou	407	59,048	6,900
		669	78,685	8,500
Western Region	Chengdu	9	1,080	8,300
	Chongqing	21	1,521	13,800
	Xi'an	174	15,126	11,500
	Guiyang	2	252	7,900
		206	17,979	11,500
	Other projects	233	11,414	20,400
Subtotal (excluding carparks)		3,200	289,749	11,000
Carparks (various projects)		96	50,410	1,900
Total		3,296	340,159	9,700

Contracted sales

Due to the continuous adjustment in the overall real estate market in the PRC, the Group's contracted sales (including its joint ventures and associates) during the six months ended 30 June 2025 amounted to RMB13,370 million, representing an approximately 27% decrease as compared to RMB18,330 million from the corresponding period in 2024. GFA sold for the first half of 2025 decreased by approximately 44% to 849,000 sq.m. (first half of 2024: 1,514,100 sq.m.). Excluding car park sales, the average selling price increased by approximately 41% to RMB18,900 per sq.m. (first half of 2024: RMB13,400 per sq.m.). The increase in average selling price was primarily because of the increase in newly launched projects in the first-tier cities during the first half of 2025.

There were around 130 projects available for sale during the first half of 2025 (first half of 2024: 160 projects). In terms of distribution, contracted sales from first-tier and second-tier cities accounted for approximately 94%.

The contracted sales amounts and saleable GFA sold by cities during the first half of 2025 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	930	34,500	27,000
	Taiyuan	61	6,500	9,400
	Qinhuangdao	60	4,500	13,300
	Langfang	95	8,400	11,300
	Jinzhong	78	11,700	6,700
		1,224	65,600	18,700
Bohai Rim Region	Tianjin	1,454	104,800	13,900
	Qingdao	21	2,700	7,800
	Jinan	739	56,700	13,000
	Dalian	26	3,900	6,700
	Shenyang	24	1,400	17,100
	Changchun	18	2,600	6,900
		2,282	172,100	13,300

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Eastern Region	Shanghai	312	10,300	30,300
	Suzhou	21	1,200	17,500
	Wuxi	357	19,400	18,400
	Wenzhou	282	11,700	24,100
	Jinhua	22	2,200	10,000
	Yangzhou	2	200	10,000
	Zhenjiang	145	18,400	7,900
	Suqian	82	12,100	6,800
		1,223	75,500	16,200
Southern Region	Shenzhen	5,706	99,600	57,300
	Guangzhou	22	1,600	13,800
	Fuzhou	46	3,500	13,100
	Foshan	101	7,300	13,800
	Xiamen	212	11,000	19,300
	Maoming	3	800	3,800
	Jiangmen	49	6,600	7,400
	Zhongshan	204	21,700	9,400
	Zhanjiang	34	5,000	6,800
		6,377	157,100	40,600
Central Region	Wuhan	122	12,600	9,700
	Zhengzhou	196	19,000	10,300
	Hefei	29	10,400	2,800
	Changsha	176	16,400	10,700
	Nanchang	5	1,000	5,000
	Ganzhou	96	11,300	8,500
		624	70,700	8,800

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Western Region	Chengdu	102	7,800	13,100
	Chongqing	28	2,000	14,000
	Xi'an	229	18,200	12,600
	Kunming	14	4,000	3,500
	Guiyang	651	78,300	8,300
	Urumqi	12	1,000	12,000
	Lanzhou	72	18,100	4,000
	Xining	68	9,200	7,400
	Xishuangbanna	26	3,600	7,200
		1,202	142,200	8,500
	Other projects	53	4,800	11,000
Subtotal (excluding carparks)		12,985	688,000	18,900
Carparks (various projects)		385	161,000	2,400
Total		13,370	849,000	15,700

Landbank

As at 30 June 2025, the landbank of the Group (including its joint ventures and associates) decreased to 27,232,000 sq.m. (31 December 2024: 31,072,000 sq.m.); and landbank with attributable interest decreased to 14,592,000 sq.m. (31 December 2024: 16,464,000 sq.m.) accordingly. During the first half of 2025, we together with our joint ventures and associates did not acquire any plot of land. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2025 was approximately RMB6,400 (31 December 2024: RMB6,200 per sq.m.).

The landbank details of the Group and its joint ventures and associates as at 30 June 2025 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	Captain House	Fengtai District, Beijing	131	100	4	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%
		Central Peak	Changping District, Beijing	256	193	188	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	79	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	88	40.00%
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%
		Jasper Epoch	Daxing District, Beijing	92	78	9	100.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	38	11.10%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	40	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	47	58.00%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	122	31.00%
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	103	21.00%
		Our New World	Fangshan District, Beijing	109	91	13	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Polaris Plaza	Chaoyang District, Beijing	46	–	46	30.06%
		Royal River Villa	Chaoyang District, Beijing	132	118	12	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	43	51.00%
		World View	Chaoyang District, Beijing	71	52	71	25.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	27	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	96	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	70.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				5,153	4,073	2,733	
	Shijiazhuang	Ande Memorial Park	Jingxing County, Shijiazhuang	110	110	109	88.89%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	29	38.35%
				316	250	192	
	Taiyuan	Glory Mansion	Xinghualing District, Taiyuan	288	198	288	52.15%
		Jiefang Road Aegean Place	Xinghualing District, Taiyuan	125	–	125	52.15%
		Ocean Crown	Xiaodian District, Taiyuan	53	38	53	100.00%
		Ocean Seasons	Wanbailin District, Taiyuan	308	254	49	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	311	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	26.60%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				2,228	1,339	1,850	

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 (%)
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,064	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	18	52.15%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,194	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	64.30%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	29.16%
				2,415	1,246	1,326	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	18	60.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,235	30.85%
				13,820	9,851	8,418	
Bohai Rim Region	Tianjin	Capital Palace	Jizhou District, Tianjin	346	213	193	52.15%
		Happy Light Year	Wuqing District, Tianjin	207	176	29	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	2,579	2,013	1,346	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	19	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	75	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	5	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	15	52.15%
		UPED	Binhai New Area, Tianjin	653	445	483	51.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				5,013	3,636	2,437	
	Qingdao	Ocean Glory	Shibei District, Qingdao	102	76	1	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	5	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	22	100.00%
				592	432	28	
	Jinan	Fantastic Time	Tianqiao District, Jinan	535	435	535	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	481	100.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	70.00%
		Ocean Epoch	Lixia District, Jinan	390	371	145	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	17	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	111	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	1	38.95%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	45	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	298	30.66%
				3,543	2,913	1,730	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	549	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	1	51.00%
		Ocean Orient	Jinpu New Area, Dalian	116	113	116	70.00%
		Ocean Tower River Bay	Lvshunkou District, Dalian	234	200	208	100.00%
				2,036	1,808	874	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	246	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	3	100.00%
				447	345	249	

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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 (%)
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	209	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				12,307	9,683	5,566	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	53	52.15%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Moon Mirage	Chongming District, Shanghai	1,072	672	643	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
				1,410	832	778	
	Hangzhou	Neo 1	Gongshu District, Hangzhou	43	40	15	50.00%
		Ocean New Masterpiece	Gongshu District, Hangzhou	44	33	1	51.00%
				87	73	16	
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	47	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	12	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City, Suzhou	108	77	68	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	23	44.27%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
				914	710	227	
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	58	15.00%
		One Residence	Xinwu District, Wuxi	211	154	31	19.80%
				407	311	89	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	45	52.15%
				705	374	242	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	12	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	10	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	161	41.36%
				530	300	265	
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				548	348	548	
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	155	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	346	50.00%
	Suqian	Ocean We-life Plaza	Sucheng District, Suqian	117	–	117	14.08%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	33	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	188	14.08%
				1,146	818	338	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				6,660	4,392	3,139	

Sino-Ocean Group Holding Limited

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Regions	Cities	Projects	Districts	Approximate	Approximate	Remaining	Interest
				total GFA (<i>'000 sq.m.</i>)	total saleable GFA (<i>'000 sq.m.</i>)	landbank (<i>'000 sq.m.</i>)	attributable to the Group (%)
Southern Region	Shenzhen	Ocean Express	Longgang District, Shenzhen	556	437	78	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	92	100.00%
		Ocean No.163 Project	Nanshan District, Shenzhen	141	106	141	48.00%
		Ocean Purity	Longgang District, Shenzhen	152	108	152	39.20%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	59	80.00%
		Peace Palace	Longhua District, Shenzhen	278	201	6	65.29%
		Shanxia Project	Longgang District, Shenzhen	323	303	323	81.00%
				1,657	1,271	851	
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	8	40.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	2	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	11	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	32	100.00%
				529	327	53	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	35	100.00%
	Foshan	Delight River	Sanshui District, Foshan	207	192	46	100.00%
		Landscape	Shunde District, Foshan	80	63	39	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	86	50.00%
			427	362	171		
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	124	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	149	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	41	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	33	100.00%
				307	234	74	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	812	75.00%
		Ocean Palace	Southern District, Zhongshan	181	134	108	100.00%
				1,353	1,171	920	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	179	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	74	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
				5,691	4,462	2,633	
Central Region	Wuhan	Aegean Place	Xinzhou District, Wuhan	62	–	62	52.15%
		Dongxihu Xingou Logistics Project	Dongxihu District, Wuhan	112	–	112	64.30%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	14.87%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	111	70.00%
		Oriental Worldview II	Hanyang District, Wuhan	322	229	322	7.75%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	99	70.00%
				2,680	1,739	795	

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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 (%)
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	56	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	38.88%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	14	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	8	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	34	100.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	118	23.64%
		Rulinchenzhang	Guanchenghuizu District, Zhengzhou	299	198	299	100.00%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
				1,536	1,163	1,059	
	Hefei	Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	31	70.00%
				370	263	201	
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	379	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
				1,429	1,000	930	
	Nanchang	Cloud View	Jingkai District, Nanchang	81	61	6	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	11	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	30	52.15%
				429	346	47	
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	1	53.59%
				7,332	5,216	3,033	
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	96	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	38.88%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	29.16%
				568	233	354	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	20	24.50%
		Fontaine Island	Nan’an District, Chongqing	178	132	3	24.50%
		Life In Art Dist	Jiulongpo District, Chongqing	52	37	20	34.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	35	56.10%
				924	720	78	

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 (%)
	Xi’an	Aegean Place	Xincheng District, Xi’an	104	–	104	26.60%
		Emperor Chic	Weiyang District, Xi’an	321	316	215	24.50%
		Fontaine Island	Chanba Ecological District, Xi’an	147	111	147	24.50%
		Ocean Mansion	Weiyang District, Xi’an	558	416	442	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi’an	292	208	10	80.00%
		Sky Masion	Xincheng District, Xi’an	462	312	462	26.60%
				1,884	1,363	1,380	
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	84	71.66%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	71.66%
				321	306	183	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	108	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	11	100.00%
		Sky Masion	Guanshanhu District, Guiyang	297	120	297	26.60%
		Sky Masion, Retail	Guanshanhu District, Guiyang	36	–	36	26.60%
				598	330	452	
	Urumqi	Royal Mansion	Saybag District, Urumqi	402	293	174	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
				550	404	322	
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	264	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	106	76.55%
				442	251	191	
	Luzhou	Sky Masion	Jiangyang District, Luzhou	279	207	279	52.15%
	Xining	Aegean Place	Haihu New District, Xining	121	–	121	76.55%
		Sky Masion	Chengzhong District, Xining	1,278	1,018	514	41.72%
		Sky Palace	Chengxi District, Xining	311	254	117	76.55%
				1,710	1,272	752	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	122	26.07%
				8,188	5,816	4,377	
Other Region	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				66	57	66	
Total				54,064	39,477	27,232	

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Property Investment

During the first half of 2025, revenue from property investment decreased by approximately 20% to RMB144 million (first half of 2024: RMB181 million). As at 30 June 2025, the Group (including its joint ventures and associates) held more than 23 operating investment properties. Citylane in Wuhan officially opened in April 2025 and has become a popular check-in spot in Wuhan. We would continue to implement the asset-light mode for the Group's investment properties and accelerate the cash collection.

The investment properties of the Group and its joint ventures and associates as at 30 June 2025 are set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Logistics projects (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	89%	100%
Grand Canal Place (Beijing)	Tongzhou District, Beijing	111,000	60,000	51,000	–	–	45%	65%
Ocean Incom (Beijing)	Shunyi District, Beijing	49,000	32,000	2,000	–	15,000	67%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	86%	100%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	70%	100%
Shuyang Ocean We-life Plaza (Suqian)	Shuyang County, Suqian	39,000	–	39,000	–	–	100%	100%
Citylane (Wuhan)	Hanyang District, Wuhan	18,000	–	18,000	–	–	74%	70%
Ocean We-life Plaza (Ganzhou)	Nankang District, Ganzhou	49,000	–	49,000	–	–	95%	54%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	98%	100%
Other projects		59,000	5,000	–	–	54,000		
Subtotal		500,000	245,000	168,000	–	87,000		
Other								
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	93%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	84%	12%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	79%	72%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	93,000	81,000	12,000	–	–	79%	29%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	42,000	–	42,000	–	–	95%	52%
Grand Canal Place (Tianjin)	Hedong District, Tianjin	97,000	–	97,000	–	–	81%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	91%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	96%	64%
Ocean We-life Plaza (Jinan)	Shanghe County, Jinan	34,000	–	34,000	–	–	72%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	62%	61%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	59%	30%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	132,000	–	81,000	–	51,000	96%	60%
Ocean We-life Plaza (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	86%	26%
Grand Canal Place (Fuzhou)	Cangshan District, Fuzhou	93,000	–	93,000	–	–	94%	31%
Other projects		2,104,000	225,000	128,000	1,726,000	25,000		
Subtotal		3,065,000	496,000	667,000	1,726,000	176,000		
Total		3,565,000	741,000	835,000	1,726,000	263,000		

Employees and Human Resources

As at 30 June 2025, the Group had 12,218 employees (31 December 2024: 12,586 employees). The decrease in the number of employees was mainly due to the continuous optimization of manpower in the property development and its related businesses.

The Group's remuneration system has been established with reference to the corporate business performance, the efficiency and accomplishments of the staff and the remuneration level of the same industry in the market. The Company offers share options to motivate competitive staff at appropriate times. We adhere to the performance-oriented payment concept and incentive scheme, focusing on channeling limited resources towards front-line teams and core performance personnel for ensuring the housing delivery, risk mitigation and revenue growth. To facilitate continuous employee development, the Group provides a variety of learning and training programmes, enhancing team capabilities through workshops, collaborative team efforts. This strategic focus aims to attract, motivate and retain talented staff, who in return can ultimately bring in higher return to our investors.

COMPLETION OF HOLISTIC DEBT MANAGEMENT FOR RELEVANT OFFSHORE DEBTS

References are made to the announcements of the Company (collectively, the **"Offshore Debts Announcements"**) dated 18 July 2024, 3 February 2025, 6 February 2025, 19 February 2025 and 27 March 2025 in relation to, among others, the holistic debt management of the relevant offshore debts of the Group (**"Offshore Debts Restructuring"**).

As set out in the Offshore Debts Announcements, on 27 March 2025, each of the conditions to the Offshore Debts Restructuring had been satisfied and the effective date of the Offshore Debts Restructuring occurred on the same date (the **"Restructuring Effective Date"**). The Offshore Debts Restructuring involves the discharge and release of all claims of the in-scope creditors under the in-scope debts amounting to approximately USD6,315 million upon the distribution of the consideration to the in-scope creditors on the Restructuring Effective Date consisting of (a) new debts in an aggregate principal amount of USD2,200 million, which consists of new loan and new notes, and (b) mandatory convertible bonds and/or the new perpetual securities in a combined aggregate principal amount of approximately USD4,115 million.

The successful implementation of the Offshore Debts Restructuring reduced the Group's leverage by approximately USD4 billion, which significantly improved its asset-liability structure and greatly alleviated its offshore liquidity pressures.

For further details of the Offshore Debts Restructuring, please refer to the Offshore Debts Announcements.

RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS

References are made to the announcements of the Company published on the Stock Exchange and the announcements of Sino-Ocean Holding published on The Shanghai Stock Exchange, both dated 9 May 2025, 30 May 2025, 12 June 2025, 19 June 2025, 10 July 2025, 18 July 2025, 28 July 2025, 1 August 2025 and 14 August 2025, in relation to the onshore open market debts of the Group (collectively, the **“Onshore Open Market Debts Announcements”**).

As set out in the Onshore Open Market Debts Announcements, 2025 first bondholders' meetings for four onshore corporate bonds have been duly convened, at which resolutions on adjustment of arrangements for repayment of principal and interest and other matters have been considered and approved. Remittance of the fund for the repayment of 0.3% of the remaining principal of such bonds in accordance with the respective resolutions was made subsequently.

To advance sustainable operations going forward, in light of Sino-Ocean Holding's current situation, after coordination of its indirect controlling shareholder, the Company, it is preliminarily planned to provide an overall restructuring plan to holders of the existing onshore corporate bonds and interbank directed debt financing instruments (collectively, the **“Target Bonds”**). This plan will adjust the repayment arrangements for the principal and interest of the Target Bonds and offer multiple settlement options, including cash repurchase, equity economic income right, and debt settlement with assets. Sino-Ocean Holding will advance the restructuring of the Target Bonds by convening bondholders' meeting(s). The final restructuring plan shall be subject to the resolutions set forth in the bondholders' meeting notice(s).

In order to implement the subsequent repayment arrangements of relevant bonds, ensure fair information disclosure and protect the interests of bond investors, the trading of Sino-Ocean Holding's seven subsisting corporate bonds have been suspended with effect from the commencement of trading hours of The Shanghai Stock Exchange on 15 August 2025. Sino-Ocean Holding will actively negotiate and communicate with investors during the grace period for repayment of corporate bonds to strive for reaching a consensus on the risk resolution plan as soon as possible.

Please refer to the Onshore Open Market Debts Announcements for details.

IMPORTANT EVENTS AFTER THE PERIOD ENDED 30 JUNE 2025

Save as disclosed below and in the above paragraphs headed “RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS” and Note 12 to the interim condensed consolidated financial statements in this announcement, as at the date of this announcement, there was no important event affecting the Group after the period ended 30 June 2025.

Internal restructuring of assets

On 16 July 2025, the Company (on behalf of each relevant member of the Group) and Sino-Ocean Service (a 63.82%-owned subsidiary of the Company, on behalf of each relevant member of Sino-Ocean Service Group) entered into a framework agreement, in relation to the return of certain assets by Sino-Ocean Service Group to the Group (the “**Return**”). The assets to be returned comprise 2,684 parking spaces located in the PRC (the “**Target Assets**”), which form part of the assets transferred by the Group to Sino-Ocean Service Group pursuant to the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 (collectively, the “**Original Assets Transfer Framework Agreements**”) in relation to the acquisition by the relevant members of Sino-Ocean Service Group of certain parking spaces and commercial properties from the relevant members of the Group. The Return will be effected by way of cancellation of the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements, and the original transfer price of RMB323,200,000 for the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by a long term loan to be granted by Sino-Ocean Service or its designated wholly-owned subsidiary (as lender) to a designated wholly-owned subsidiary of the Company (as borrower), with the Company acting as the guarantor for the loan.

The Return is in substance an internal restructuring of assets of the Group from a 63.82%-owned subsidiary to wholly-owned subsidiaries of the Company which would result in a net acquisition of approximately 36.18% interest in the Target Assets by the Group. The Return has not been completed as of the date of this announcement.

Details of the Return have been disclosed in the announcement of the Company dated 16 July 2025.

The unaudited interim results of the Group for the six months ended 30 June 2025 are as follows:

Interim Condensed Consolidated Statement of Profit or Loss

	Notes	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000 (Restated)
Revenue	4	6,203,069	13,313,451
Cost of sales		(11,169,233)	(13,016,643)
Gross (loss)/profit		(4,966,164)	296,808
Interests and other income		447,672	353,276
Other losses — net	7	(3,326,486)	(478,723)
Fair value change on investment properties		(643,676)	(292,770)
Selling and marketing expense		(360,808)	(282,350)
Impairment losses under expected credit loss model		(9,724,988)	(296,780)
Impairment loss on assets classified as held for sale		—	(1,706,630)
Administrative expense		(631,543)	(657,843)
Operating loss		(19,205,993)	(3,065,012)
Gains from offshore debt restructuring		31,756,397	—
Finance costs	8	(2,064,729)	(1,948,086)
Share of results of joint ventures		(1,173,565)	(751,265)
Share of results of associates		(337,339)	(55,983)
Profit/(loss) before income tax		8,974,771	(5,820,346)
Income tax credit	9	81,386	429,950
Profit/(loss) for the period		9,056,157	(5,390,396)
Attributable to:			
— Owners of the Company		10,202,141	(5,381,705)
— Non-controlling interests		(1,145,984)	(8,691)
		9,056,157	(5,390,396)
Earnings/(loss) per share attributable to owners of the Company during the period (expressed in RMB)	10		
Basic earnings/(loss) per share		1.171	(0.707)
Diluted earnings/(loss) per share		0.919	(0.707)

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Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Profit/(loss) for the period	9,056,157	(5,390,396)
Other comprehensive income/(loss), net of tax		
Items that will not be reclassified subsequently to profit or loss		
Fair value change on financial assets at fair value through other comprehensive income, net of tax	25,888	(43,829)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	496,686	(133,173)
Share of other comprehensive income of investments accounted for using the equity method	(27,421)	(313,407)
Other comprehensive income/(loss) for the period	495,153	(490,409)
Total comprehensive income/(loss) for the period	9,551,310	(5,880,805)
Total comprehensive income/(loss) attributable to:		
— Owners of the Company	10,706,576	(5,900,271)
— Non-controlling interests	(1,155,266)	19,466
Total comprehensive income/(loss) for the period	9,551,310	(5,880,805)

Interim Condensed Consolidated Statement of Financial Position

		As at 30 June 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i> (Restated)
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,855,021	3,324,732
Right-of-use assets		1,429,950	1,501,265
Land use rights		107,484	179,062
Intangible assets		278,373	309,670
Goodwill		824,045	1,233,053
Investment properties		13,279,388	13,204,011
Interests in joint ventures		11,900,313	13,315,357
Interests in associates		2,754,129	3,951,093
Financial assets at fair value through other comprehensive income		478,459	693,897
Financial assets at fair value through profit or loss		2,646,508	3,662,917
Trade and other receivables and prepayments	5	6,675,150	6,725,443
Deferred income tax assets		2,222,406	2,133,907
Total non-current assets		45,451,226	50,234,407
Current assets			
Properties under development		38,303,715	40,901,782
Inventories, at cost		1,152,895	1,152,367
Land development cost recoverable		1,310,234	1,295,282
Completed properties held for sale		20,247,599	25,098,776
Financial assets at fair value through profit or loss		52,429	53,277
Trade and other receivables and prepayments	5	52,799,631	57,775,129
Contract assets		91,253	65,674
Restricted bank deposits		3,834,893	2,922,791
Cash and cash equivalents		1,996,240	1,905,661
Total current assets		119,788,889	131,170,739

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

		As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
	Notes		
Current liabilities			
Borrowings		41,675,694	65,935,047
Lease liabilities		134,245	140,186
Trade and other payables	6	47,206,881	50,875,469
Contract liabilities		17,433,225	14,263,642
Current tax payable		12,339,278	12,115,304
Derivative financial instruments		570,788	–
Provisions		9,489,746	5,028,329
Total current liabilities		128,849,857	148,357,977
Non-current liabilities			
Borrowings		25,321,163	32,437,489
Lease liabilities		1,588,842	1,626,530
Trade and other payables	6	45,313	47,762
Deferred income tax liabilities		1,208,153	1,397,545
Total non-current liabilities		28,163,471	35,509,326
Net assets/(liabilities)		8,226,787	(2,462,157)
EQUITY			
Equity attributable to owners of the Company			
Share capital		27,994,122	27,329,232
Perpetual securities		1,038,891	–
Other reserves		(3,690,155)	(8,918,260)
Accumulated losses		(21,225,739)	(31,070,263)
		4,117,119	(12,659,291)
Non-controlling interests		4,109,668	10,197,134
Total equity		8,226,787	(2,462,157)

Notes to the Interim Condensed Consolidated Financial Statements

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 in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong.

The interim condensed consolidated financial statements have not been audited and is presented in Renminbi (“**RMB**”), unless otherwise stated. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial statements were approved for issue on 28 August 2025 by the Board of directors of the Company (the “**Board**”).

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENT

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have 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**”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this interim condensed consolidated financial statement should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated financial statements for the six months ended 30 June 2025 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 2024 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 for the year ended 31 December 2024 was disclaimed; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2.1 Going concern assumption

Notwithstanding the Group recorded a profit of RMB9.06 billion for six months ended 30 June 2025, excluding the gain on offshore debt restructuring of RMB31.76 billion, the Group incurred a net loss of RMB22.70 billion and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB9.06 billion. The Group had total borrowings of approximately RMB67.00 billion, of which the current borrowings amounted to approximately RMB41.68 billion, while the Group had cash and cash equivalents of approximately RMB2.00 billion only.

As at 30 June 2025, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB14.03 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.53 billion in aggregate according to their scheduled repayment dates. And due to the terms in the relevant borrowings' agreements, borrowings in principal amount totaling approximately RMB11.97 billion as at 30 June 2025 might be demanded for early repayment. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the creditors on adjusting the repayment schedules of these debts.

On 1 August 2025, the Group announced the commencement of a restructuring plan for its onshore bonds ("**onshore debts restructuring plan**"). The onshore debts restructuring plan comprises of (i) seven listed onshore bonds with aggregate carrying amount of approximately RMB13.07 billion as at 30 June 2025. To commence the restructuring plan, these listed bonds suspended trading with effect from 15 August 2025; and (ii) three other onshore bonds with aggregate carrying amount of approximately RMB5.00 billion as at 30 June 2025. As at the date of approval of the interim condensed consolidated financial statements, the onshore debts restructuring plan is still in progress.

In addition, the Group has been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provisions.

In the current period, the real estate sector in the PRC remained volatile. The continued downturn in the property market, coupled with the weakening consumer sentiment in the PRC, gave rise to decline in property sales of and intensified liquidity pressures on the PRC property developers, including the Group.

The Group experienced a contraction in internal funds and encountered significant challenges in financing its construction projects due to restricted access to external financing. The current macroeconomic conditions and the uncertain timeline for recovery in the real estate sector have resulted in increased material uncertainties for the Group. These factors have made it increasingly difficult for the Group to generate operating cash inflows or to refinance guaranteed notes, corporate bonds, and bank and other borrowings.

All these events or conditions indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2025 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

- The Group has been actively negotiating with bondholders on adjusting the principal and interest repayment arrangements or extending the repayment for its onshore bonds.

On 1 August 2025, the Group announced the commencement of the onshore debts restructuring plan comprising onshore bonds with aggregate carrying amount of approximately RMB18.07 billion as at 30 June 2025. The onshore debts restructuring plan represents a significant step taken by the Group to address its financial obligations. The Group is actively negotiating and communicating with investors to reach a consensus on the risk resolution plan as soon as possible.

- On 27 March 2025, the offshore debt restructuring of the Group became effective. Under the offshore debt restructuring, the offshore creditors fully discharged the offshore debt restructuring in-scope existing debts and certain bank borrowings of the Group amounting to approximately USD6.38 billion in aggregate in exchange for the issue of the new loans and new notes (the "**New Debts**"), the new mandatory convertible bonds and/or new perpetual securities.
- The Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions.
- The Group will continue to seek to obtain additional new sources of financing through all possible channels such as assets disposal:

On 11 April 2025, the Group entered into a disposal agreement with a third party, agreed to sell 23% equity interests in an associate at a total consideration of approximately RMB322 million. Pursuant to the disposal agreement, consideration of approximately RMB235 million was settled by offsetting the outstanding loan payable to a subsidiary of the associate while the remaining balance of RMB86.9 million was settled in cash in April 2025. The disposal had been completed during the period ended 30 June 2025.

- The Group has been proactive in seeking ways to resolve the outstanding litigations of the Group and continuing to communicate with the plaintiffs. The Group is positive that it can reach an amicable resolution on the litigations which have not yet reached a definite outcome.
- The Group will continue to maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Subject to the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;

The directors of the Company have reviewed the cash flow forecast and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

- Successful negotiation with the bondholders for the onshore bonds and successful implementation of the onshore debt restructuring plan;
- Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;
- The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;
- The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and to successfully implement its business strategy and cost control measures so as to improve the Group's working capital and cash flow position.

The directors of the Company consider that, assuming the success of the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 30 June 2025. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

2.2 Prior year adjustment

Background

In June 2019 and December 2019, a wholly-owned subsidiary of the Company, Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (“**Such Company**”), entered into the perpetual bond investment contracts with Shaanxi International Trust Co., Ltd. (陝西省國際信託股份有限公司) (“**Shaanxi International Trust**”) and Kunlun Trust Co., Ltd. (昆侖信託有限責任公司) (“**Kunlun Trust**”), respectively, pursuant to which Such Company issued perpetual bonds (the “**Perpetual Bonds**”) to raise a total of approximately RMB2.359 billion, which was recognized as non-controlling interests in the Group’s financial statements in accordance with the investment contracts. Subsequently, Such Company entered into several supplementary agreements with Shaanxi International Trust in October 2023 and December 2023; and with Kunlun Trust in April 2023 and June 2023. In July 2024 and May 2025, Such Company received notice letters from Shaanxi International Trust requesting the termination of the relevant perpetual bond investment contracts and demanding payment of outstanding amounts. In September 2024, Such Company received an arbitration application submitted by Kunlun Trust to the Beijing Arbitration Commission, requesting repayment of outstanding amounts. In March 2025, the Beijing Arbitration Commission ordered Such Company to pay Kunlun Trust the principal, interest and related expenses associated with the Perpetual Bonds.

The self-inspection of the Company and its impact on the financial statements of the Group

Based on the current actual circumstances described above, in conjunction with the relevant provisions of legal documents, the management believed that the Perpetual Bonds imposed on the Group an inevitable contractual obligation to repay principal and pay interest, and therefore no longer meets the criteria for recognition as an equity instrument. Consequently, the management reclassified the Perpetual Bonds totaling approximately RMB2.679 billion as of 31 December 2024 (including the issuance amount of approximately RMB2.359 billion and interest of RMB320 million) from non-controlling interests to borrowings. Accordingly, the opening balances of 2025 and the comparative financial statements have been adjusted. The following table discloses the adjustments made by the Company to the items in the consolidated statement of profit or loss for the period ended 30 June 2024, and the consolidated statement of financial positions as of 1 January 2024 and 31 December 2024, to correct certain identified errors for prior periods:

	Effect on six months ended 30 June 2024 RMB'000
Increase in finance costs	(73,222)
Increase in loss before income tax	(73,222)
Increase in loss for the period	(73,222)
Increase in loss for the period attributable to non-controlling interests	(73,222)

	Effect on 31 December 2024 RMB'000
Increase in current borrowings	2,359,000
Increase in trade and other payables	320,159
Decrease in total equity	(2,679,159)
Decrease in equity attributable to non-controlling interests	(2,679,159)

	Effect on 1 January 2024 RMB'000
Increase in current borrowings	2,359,000
Increase in trade and other payables	220,796
Decrease in total equity	(2,579,796)
Decrease in equity attributable to non-controlling interests	(2,579,796)

As mentioned above, the restatement will result in the Group's loss for the period ended 30 June 2024, further increasing to RMB5.390 billion. This will have no impact on the basic loss per share or the diluted loss per share. The total equity as of the beginning of 2024 and the end of 2024 will be RMB18.212 billion and RMB-2.462 billion, respectively.

Save as above, the management confirms that the restatement will have no ongoing impact on the future consolidated financial statements of the Group.

3. ACCOUNTING POLICIES

Amended standards adopted by the Group

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of amendments to standards as set out below.

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

These amendments had no effect and are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group has not early adopted any new or amended standards and interpretations that have been published but are not yet effective for the financial period beginning on 1 January 2025.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company who make strategic decisions.

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

Other operations as carried out by the Group mainly are property sales agency services and upfitting services. These are not included within the reportable operating segments, as they are not included in the reports provided to the executive directors of the Company. The results of these operations are included in the “All other segments” column.

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of other gains/losses 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 executive directors of the Company, 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 share of profits/losses from interests in joint ventures and associates as well as fair value change from investment properties, corporate overheads, other losses-net, gains from offshore debt restructuring and impairment losses on assets classified as held for sale. Other information provided to the executive directors of the Company, 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, interests 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 derivative financial instruments, all of which are managed on a central basis as well. These are part of the reconciliation to statement of financial position assets and liabilities.

The segment information provided to the executive directors of the Company for the reportable segments is as follows:

	Property Development									
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern Region RMB'000	Southern Region RMB'000	Central Region RMB'000	Western Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2025										
Total segment revenue	993,113	593,428	129,815	650,459	718,597	216,755	148,914	1,385,781	1,916,277	6,753,139
Inter-segment revenue	(2,256)	(252)	(3,945)	–	–	–	(5,374)	(38,236)	(500,007)	(550,070)
Revenue (from external customers)	990,857	593,176	125,870	650,459	718,597	216,755	143,540	1,347,545	1,416,270	6,203,069
Segment operating profit/(loss)	(513,271)	(837,045)	(2,209,312)	(2,066,719)	(534,849)	(659,228)	121,340	(44,779)	(8,425,358)	(15,169,221)
Depreciation and amortization	(9,069)	(94)	(102)	(346)	(132)	(26)	(211)	(25,412)	(170,765)	(206,157)
Six months ended 30 June 2024										
Total segment revenue	975,020	1,823,092	3,938,773	1,504,702	1,358,195	700,122	183,285	1,436,013	2,352,010	14,271,212
Inter-segment revenue	–	–	–	–	–	–	(1,978)	(74,537)	(881,246)	(957,761)
Revenue (from external customers)	975,020	1,823,092	3,938,773	1,504,702	1,358,195	700,122	181,307	1,361,476	1,470,764	13,313,451
Segment operating profit/(loss)	(223,666)	12,540	(22,822)	(126,771)	62,551	(134,834)	101,690	56,415	(255,523)	(530,420)
Depreciation and amortization	(9,055)	(137)	(735)	(523)	(1,044)	(505)	(1,268)	(19,275)	(147,311)	(179,853)
Property Development										
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern Region RMB'000	Southern Region RMB'000	Central Region RMB'000	Western Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
As at 30 June 2025										
Total segment assets	17,917,046	13,002,052	8,309,998	17,122,282	12,203,765	6,172,888	13,557,868	3,426,900	53,335,516	145,048,315
Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,026	–	11	–	5	–	719,757	1,469	3,544	728,812
Total segment liabilities	7,921,604	10,700,806	6,036,567	13,231,693	5,257,605	3,740,989	898,560	1,843,430	38,606,276	88,237,530
As at 31 December 2024 (Restated)										
Total segment assets	17,610,657	15,111,517	10,060,120	19,054,276	13,487,318	7,225,222	13,176,745	3,752,185	58,054,798	157,532,838
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,149	4,104	–	11,883	–	17	106,049	67,214	14,304	204,720
Total segment liabilities	7,431,003	11,263,040	6,094,619	10,931,467	6,166,325	3,902,851	796,670	1,801,798	35,709,449	84,097,222

A reconciliation of segment operating loss to profit/(loss) before income tax is provided as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Segment operating loss	(15,169,221)	(530,420)
Corporate finance income	62	56
Corporate overheads	(66,672)	(56,525)
Gains from offshore debt restructuring	31,756,397	–
Fair value change on investment properties	(643,676)	(292,770)
Other losses — net (Note 7)	(3,326,486)	(478,723)
Finance costs (Note 8)	(2,064,729)	(1,948,086)
Share of results of joint ventures	(1,173,565)	(751,265)
Share of results of associates	(337,339)	(55,983)
Impairment losses on assets classified as held for sale	–	(1,706,630)
Profit/(loss) before income tax	8,974,771	(5,820,346)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at	As at
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
		(Restated)
Total segment assets	145,048,315	157,532,838
Corporate cash and cash equivalents	137,556	61,860
Interests in joint ventures	11,900,313	13,315,357
Interests in associates	2,754,129	3,951,093
Financial assets at fair value through other comprehensive income	478,459	693,897
Financial assets at fair value through profit or loss	2,698,937	3,716,194
Deferred income tax assets	2,222,406	2,133,907
Total assets per condensed consolidated statement of financial position	165,240,115	181,405,146
Total segment liabilities	88,237,530	84,097,222
Current borrowings	41,675,694	65,935,047
Non-current borrowings	25,321,163	32,437,489
Derivative financial instruments	570,788	–
Deferred income tax liabilities	1,208,153	1,397,545
Total liabilities per condensed consolidated statement of financial position	157,013,328	183,867,303

The Company was incorporated in Hong Kong, with its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the six months ended 30 June 2025 and 2024.

As at 30 June 2025, total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC, Hong Kong and the United States amounted to approximately RMB33,392,190,000, RMB720,000 and RMB35,793,000 (31 December 2024: RMB36,981,430,000, RMB872,000 and RMB35,941,000), respectively. For the six months ended 30 June 2025 and 2024, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales.

5. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables (a)	4,136,805	4,443,710
Other receivables and prepayments (b)	55,337,976	60,056,862
	59,474,781	64,500,572
Less: non-current portion	(6,675,150)	(6,725,443)
Current portion	52,799,631	57,775,129

(a) Trade receivables

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables	5,514,467	5,435,317
Less: provision for impairment of trade receivables	(1,377,662)	(991,607)
	4,136,805	4,443,710
Less: non-current portion	–	–
Current portion	4,136,805	4,443,710

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement, and the credit term is very short. An ageing analysis of gross trade receivables mainly based on invoice or bills issuance date at the respective statement of financial position dates is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 6 months	1,459,305	2,415,321
Between 6 months to 1 year	2,422,555	1,303,311
Between 1 year to 2 years	453,782	775,069
Between 2 years to 3 years	611,492	566,693
Over 3 years	567,333	374,923
	<u>5,514,467</u>	<u>5,435,317</u>

As at 30 June 2025, trade receivables with carrying amount of approximately RMB316,407,000 (31 December 2024: RMB349,192,000) were pledged as collateral for the Group's borrowings.

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

	Six months ended 30 June 2025 RMB'000	Year ended 31 December 2024 RMB'000
Opening amount at beginning of the period/year	(991,607)	(779,951)
Provision for receivable impairment	(386,055)	(233,028)
Derecognition from disposal of subsidiaries	–	21,372
Closing amount at end of the period/year	<u>(1,377,662)</u>	<u>(991,607)</u>

(b) Other receivables and prepayments

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Entrusted loans due from joint ventures	2,574,765	2,409,175
Entrusted loans due from associates	24,510	24,510
Entrusted loans due from third parties	2,602,800	1,930,956
Amounts due from joint ventures	25,124,262	25,131,600
Amounts due from non-controlling interests	5,000,044	5,132,363
Amounts due from associates	10,311,607	10,355,241
Amounts due from third parties	11,335,753	16,313,490
	56,973,741	61,297,335
Less: provision for impairment	(19,793,420)	(19,884,454)
	37,180,321	41,412,881
Receivables from government	655,733	670,058
Payment for the cooperation of potential properties development projects	1,447,812	1,447,812
Receivables from disposal of interest in subsidiaries	3,146,998	3,073,062
Receivables from disposal of interest in a joint venture	27,137	337,706
Other receivables	3,685,005	3,061,067
	8,962,685	8,589,705
Less: provision for impairment	(2,037,401)	(1,253,493)
	6,925,284	7,336,212
Tax prepayments	6,303,315	5,918,217
Other prepayments	4,929,056	5,389,552
	11,232,371	11,307,769
Total other receivables and prepayments	55,337,976	60,056,862
Less: non-current portion	(6,675,150)	(6,725,443)
Current portion	48,662,826	53,331,419

6. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000 (Restated)
Trade payables (a)	11,578,474	13,340,695
Accrued expenses	6,333,044	7,542,128
Amounts due to joint ventures (b)	8,596,449	7,950,594
Amounts due to associates (b)	715,047	1,009,299
Amounts due to non-controlling interests (b)	961,659	926,122
Amounts due to government	499,512	504,528
Other taxes payable	4,251,019	4,046,311
Deposits received	1,598,297	1,617,461
Other payables	12,718,693	13,986,093
	47,252,194	50,923,231
Less: non-current portion	(45,313)	(47,762)
Current portion	47,206,881	50,875,469

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

- (a) An ageing analysis of the trade payables (including amounts due to related parties of trading in nature) mainly based on the date of invoice is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 6 months	2,311,148	4,581,262
Between 6 months to 1 year	2,192,924	899,873
Between 1 year to 2 years	866,314	2,542,196
Between 2 years to 3 years	2,333,326	2,501,237
Over 3 years	3,874,762	2,816,127
	11,578,474	13,340,695

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

7. OTHER LOSSES — NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Fair value change of financial assets and financial liabilities at fair value through profit or loss	(1,422,241)	(238,463)
Exchange losses	(363,368)	(56,491)
Payment for the settlement of contracted obligations	(48,240)	(37,783)
Gains on disposal of property, plant and equipment	356	—
Gains/(losses) on disposal of interests in subsidiaries	13,567	(135,171)
Losses on disposal of joint ventures and associates	(183,997)	(10,727)
(Losses)/gains on deemed disposal of joint ventures and associates, net	(163,221)	4,189
Provision for litigation	(422,183)	—
Impairment loss on property, plant and equipment	(324,594)	—
Impairment loss on goodwill	(409,008)	—
Other losses	(3,557)	(4,277)
	<u>(3,326,486)</u>	<u>(478,723)</u>

8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Interest expense:		
— Bank borrowings	1,250,425	1,081,799
— Other borrowings	1,465,769	1,672,080
— Lease liabilities	48,469	59,574
	<u>2,764,663</u>	<u>2,813,453</u>
Less: interest capitalized at a capitalization rate of 5.84% (2024: 5.60% (Restated)) per annum	<u>(699,934)</u>	<u>(865,367)</u>
	<u>2,064,729</u>	<u>1,948,086</u>

9. INCOME TAX CREDIT

Majority of the Group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for six months ended 30 June 2025 and 2024. Other Group entities are mainly subject to Hong Kong profits tax.

The amount of income tax credit charged to the statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax:		
— PRC enterprise income tax	116,121	403,404
— PRC land appreciation tax	80,572	(646,028)
Deferred income tax	(278,079)	(187,326)
	(81,386)	(429,950)

10. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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.

	Six months ended 30 June	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RMB'000)	10,202,141	(5,381,705)
Distributions related to perpetual securities (RMB'000)	(22,827)	—
Profit/(Loss) used to determine basic earnings per share (RMB'000)	10,179,314	(5,381,705)
Weighted average number of ordinary shares in issue (thousands)	8,689,431	7,616,096
Basic earnings/(loss) per share (RMB per share)	1.171	(0.707)

(b) Diluted

Diluted earnings/(loss) 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: employee share options and mandatory convertible bonds (30 June 2024: one category of dilutive potential ordinary shares: employee share options). 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 period) based on the monetary value of the subscription rights attached to outstanding share options and awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the conversion of mandatory convertible bonds, the exercise of the share options and vesting of awarded shares.

	Six months ended 30 June	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RMB'000)	10,202,141	(5,381,705)
Distributions related to perpetual securities (RMB'000)	(22,827)	–
Profit/(Loss) used to determine diluted earnings/(loss) per share (RMB'000)	10,179,314	(5,381,705)
Weighted average number of ordinary shares in issue (thousands)	8,689,431	7,616,096
Weighted average number of ordinary shares for diluted earnings/(loss) per share (thousands)	11,082,194	7,616,096
Diluted earnings/(loss) per share (RMB per share)	0.919	(0.707)

11. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2025 and 2024.

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as the events disclosed under the "Note 2.1 Going concern assumption" and the event mentioned below, there was no other significant subsequent event affecting the Group after the six-month period ended 30 June 2025 and up to the date of issuance of the interim condensed consolidated financial statements.

On 16 July 2025, the Company and Sino-Ocean Service entered into a framework agreement, which agreed to return 2,684 parking spaces located in the PRC (at consideration of RMB323.2 million) to the Group. The transfer by the Group to Sino-Ocean Service Group, pursuant to the Original Assets Transfer Agreement will be canceled, and the amount will be reverted and settled via a long-term loan to be granted by Sino-Ocean Service or its designated wholly-owned subsidiary to a wholly-owned subsidiary of the Group, with the Company acting as guarantor. This transaction is an internal restructuring, effectively increasing the Group's ownership of the assets from 63.82% to 100%, resulting in a net acquisition of a 36.18% interest. Details of the transaction are disclosed in the announcement of the Company dated 16 July 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the sale of treasury shares, if any) of the Company during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 has been reviewed by the auditor of the Company, BDO, 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 2025.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company's auditor, BDO, has issued a disclaimer of conclusion on the independent auditor's report on the Group's interim condensed consolidated financial statements for the period ended 30 June 2025. An extract from the independent auditor's report is as follows:

BASIS FOR DISCLAIMER OF CONCLUSION

Multiple Uncertainties Relating to Going Concern

The Group incurred a loss of approximately RMB22.70 billion for the period ended 30 June 2025 after excluding the gain on offshore debt restructuring and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB9.06 billion. The Group had total borrowings of approximately RMB67.00 billion, of which the current borrowings amounted to approximately RMB41.68 billion, while the Group had cash and cash equivalents of approximately RMB2.00 billion only.

As at 30 June 2025, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB14.03 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.53 billion in aggregate according to their scheduled repayment dates. And due to the terms in the relevant borrowings' agreements, borrowings in principal amount totaling approximately RMB11.97 billion as at 30 June 2025 might be demanded for early repayment. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the creditors on adjusting the repayment schedules of these debts.

On 1 August 2025, the Group announced the commencement of a restructuring plan for its onshore bonds ("**onshore debts restructuring plan**"). The onshore debts restructuring plan comprises of (i) seven listed onshore bonds with aggregate carrying amount of approximately RMB13.07 billion as at 30 June 2025. To commence the restructuring plan, these listed onshore bonds suspended trading with effect from 15 August 2025; and (ii) three other onshore bonds with aggregate carrying amount of approximately RMB5.00 billion as at 30 June 2025. As at the date of approval of the interim condensed consolidated financial statements, the onshore debts restructuring plan is still in progress.

In addition, the Group has been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provisions.

All these events or conditions indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2025 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in the interim condensed consolidated financial statements. The validity of going concern assumption on which the interim condensed consolidated financial statements have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including, but not limited to:

- Successful negotiation with the bondholders for the onshore bonds and successful implementation of the onshore debt restructuring plan;

- Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;
- The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;
- The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and to successfully implement its business strategy and cost control measures so as to improve the Group's working capital and cash flow position.

As a result of the above-mentioned multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form a conclusion as to whether the use of the going concern basis of preparation is appropriate.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in the interim condensed consolidated financial statements on a timely basis, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their realisable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2024 relating to the going concern basis of preparing the consolidated financial statements. Any adjustments to the balances as at 31 December 2024 would affect the balances of these interim condensed consolidated financial statements items as at 1 January 2025 and the corresponding movements, if any, during the six months ended 30 June 2025. The balances as at 31 December 2024 are presented as corresponding figures in the interim condensed consolidated statement of financial position as at 30 June 2025. We disclaimed our review conclusion on the interim condensed consolidated financial statements for the six months ended 30 June 2025 also for the possible effect of the disclaimer of audit opinion on the consolidated financial statements for the year ended 31 December 2024 on the comparability of 2024 figures and 2025 figures in these interim condensed consolidated financial statements.

DISCLAIMER OF CONCLUSION

Because of the potential interaction of the multiple uncertainties related to going concern and their possible cumulative effect on these interim condensed consolidated financial statements described in the “Basis for Disclaimer of Conclusion” section of our report, we do not express a conclusion on these interim condensed consolidated financial statements.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had applied the principles of the CG Code, which was in force throughout the six months ended 30 June 2025, to its corporate governance structure and practices as described in the annual report of the Company for the year ended 31 December 2024 and complied with the applicable code provisions of the CG Code throughout the six months ended 30 June 2025, except for the deviation as disclosed below.

The roles of the Chairman and the CEO are served by Mr. LI Ming and have not been segregated as required under code provision C.2.1 of the CG Code. The Company considers that the combination of the roles of the Chairman and the CEO involves a realignment of power and authority under the existing corporate structure and facilitates 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 efficiency in 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.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinooceangroup.com). The Company’s interim report for the six months ended 30 June 2025 will be despatched by the Company to the Shareholders in the manner as they elect to receive corporate communication and available on the websites of the Stock Exchange and the Company 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.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Audit Committee"	the audit committee of the Company
"BDO"	BDO Limited
"Board"	the board of directors of the Company
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China
"Company"	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377.HK)
"Director(s)"	director(s) of the Company
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"net gearing ratio"	total borrowings less total cash resources divided by total equity
"Restricted Share Award Scheme"	the restricted share award scheme which was adopted by the Board on 22 March 2010 and expired on 22 March 2020
"RMB"	Renminbi, the lawful currency of the PRC

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“Share(s)”	ordinary share(s) of the Company with no nominal value
“Shareholder(s)”	shareholder(s) of the Company
“Sino-Ocean Holding”	Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (formerly known as Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司)), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677.HK), being a non-wholly owned subsidiary of the Company
“Sino-Ocean Service Group”	Sino-Ocean Service and its subsidiaries
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“Xishuangbanna”	Xishuangbanna Dai Autonomous Prefecture
“YoY”	year-on-year
“%”	per cent

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

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. LI Ming, Mr. WANG Honghui, Mr. CUI Hongjie and Ms. CHAI Juan as executive Directors; Mr. ZHANG Zhongdang, Mr. YU Zhiqiang, Ms. SUN Jianxin and Ms. WANG Manling as non-executive Directors; and Mr. HAN Xiaojing, Mr. LYU Hongbin, Mr. LIU Jingwei, Mr. JIANG Qi and Mr. CHEN Guogang as independent non-executive Directors.

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