遠洋集團
SINO-OCEAN GROUP

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS HIGHLIGHTS

- The Group (including its joint ventures and associates) continually adhered to ensuring delivery. We completed the delivery of approximately 6,500 residential units for the period, with the delivery quality ranking among the top tier in the industry.
- Total contracted sales amounted to RMB8,140 million, representing a YoY decrease of 39%.
- Revenue amounted to RMB6,597 million, representing a YoY increase of 6%.
- Gross profit was RMB15 million, turning around from a recorded gross loss of RMB4,966 million for the corresponding period of 2025.
- Loss attributable to owners of the Company was RMB7,149 million, as compared to a profit attributable to owners of the Company of RMB10,202 million for the corresponding period of 2025, which mainly benefited from one-off debt restructuring gains. The loss for the period was mainly attributable to the continuous adjustment in the overall real estate market of China in recent years, resulting in the revenue and gross margin remaining under pressure, along with additional provision for impairment of property projects.
- Total borrowings reduced to RMB50,391 million. The Group continued to mitigate debt risks while remaining committed to exploring new business opportunities in the asset-light sector.

Sino-Ocean Group Holding Limited
(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)
Stock Code : 03377

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2026.

2026 INTERIM RESULTS

For the six months ended 30 June 2026, the Group's revenue was RMB6,597 million, representing a YoY increase of 6%; the gross profit was RMB15 million (first half of 2025: gross loss of RMB4,966 million). Loss attributable to owners of the Company was RMB7,149 million. Basic and diluted loss per share were RMB0.598.

MARKET REVIEW AND OUTLOOK

In 2026, the real estate industry in China remained in the period of deep adjustment and consolidation whilst bottoming out. The Central Government maintains a policy focus on stabilizing the real estate market, with supportive policies focusing on revitalizing existing inventory, optimizing supply, and stabilizing expectations. The market on the whole displayed an operational trend of "partial improvements under overall pressure". In the first half of 2026, national real estate development investment was RMB3.8 trillion, a YoY decrease of 18%; saleable GFA delivered of newly-constructed commodity housing was 400 million sq.m. a decline of 11.6% YoY; sales revenue of newly-constructed commodity housing was RMB3.8 trillion, dropping by 13.6% YoY; funds in place for real estate development decreased by 20.2% YoY. The sector is still facing pressure in terms of sector investment, sales and financing. Risks elimination and market recovery will still take time.

Looking ahead to the second half of 2026, the development logic of the real estate industry is undergoing profound changes. Urban development models are gradually moving away from a model dominated by development expansion and entering into a new phase that places equal importance on both new development and existing stock renewal. Industry risks will shift from concentrated outbreak in the early stage to an orderly resolution, while the debt restructuring of real estate enterprises, asset revitalization and the process of natural selection amongst market entities continue to deepen. Urban renewal, commercial operation, property management, senior living services and special assets will meet opportunities for expansion, and specialised operating capabilities and comprehensive service capabilities will become essential foundation for the enterprise to build up competitive advantage.

FINANCIAL REVIEW

The components of the revenue are analysed as follows:

(RMB million)	**Unaudited** **Six months ended 30 June** **2026**	2025	Changes
Property development	**4,105**	3,296	25%
Property investment	**136**	144	-6%
Property management and related services	**1,260**	1,348	-7%
Other real estate related businesses	**1,096**	1,415	-23%
Total	**6,597**	6,203	6%

The revenue of the Group in the first half of 2026 was RMB6,597 million, representing a 6% increase as compared to RMB6,203 million in the first half of 2025. The property development segment remained the largest contributor, which accounted for approximately 62% of the Group's total revenue. During the first half of 2026, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 6%, 72%, 0%, 13%, 7% and 2%, respectively.

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, senior living services and asset-light agent construction etc.

The Group's total cost of sales for the period was RMB6,581 million (first half of 2025: RMB11,169 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 RMB3,800 (first half of 2025: RMB6,300 per sq.m.); the average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB4,500 for the first half of 2026 (first half of 2025: RMB5,700 per sq.m.). The decrease aforementioned was mainly due to less projects located in the first-tier cities being delivered during the first half of 2026.

Gross profit for the period was RMB15 million (first half of 2025: gross loss of RMB4,966 million). Gross profit margin was approximately 0.2% (first half of 2025: gross loss margin of 80%). The recorded gross profit for the period remaining under pressure was primarily attributed to the continuous adjustment in the overall PRC real estate market, which led to (i) the low level of the industry gross profit margin; and (ii) additional provision made by the Group for inventories.

Interests and other income for the six months ended 30 June 2026 decreased by approximately 73% to RMB122 million (first half of 2025: RMB448 million). Such decrease was mainly due to the decrease in the interest income during the period.

The Group recorded other losses (net) of RMB248 million for the period (first half of 2025: RMB3,326 million). The recorded other losses (net) for the period were primarily due to the continuous adjustment in the real estate market in the PRC. Other losses (net) for the first half of 2026 mainly comprised of provision for litigation and other contingent liabilities, net exchange gains and losses on disposal of interests in subsidiaries.

For the first half of 2026, the Group recorded gains from debt restructuring of RMB276 million (first half of 2025: RMB31,756 million). The one-off and non-cash gains were derived from the completion of certain debt restructurings by the Group during the period.

The Group recognised fair value losses on its investment properties (before tax and non-controlling interests) of RMB596 million for the first half of 2026 (first half of 2025: RMB644 million).

Selling and marketing expenses for the first half of 2026 were RMB199 million (first half of 2025: RMB361 million). The decrease for the period was mainly due to the decrease in the contracted sales during the period. These costs accounted for approximately 2.4% of the total contracted sales amount for the first half of 2026 (first half of 2025: 2.7%).

Administrative expenses for the first half of 2026 decreased to RMB545 million (first half of 2025: RMB632 million), which represented approximately 8.3% of the total revenue for the first half of 2026 (first half of 2025: 10.2%). 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 2026, the Group recorded net impairment losses under expected credit loss model of RMB4,022 million (first half of 2025: RMB9,725 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 period.

Due to the impact of the amortisation of finance cost related to debt restructuring, our weighted average interest rate increased from 5.84% for the first half of 2025 to 8.23% for the first half of 2026. During the first half of 2026, following the Group's significant progress in the holistic debt management, the total finance costs for the period decreased to RMB2,070 million (first half of 2025: RMB2,765 million), of which RMB1,668 million (first half of 2025: RMB2,065 million) 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 expense of RMB162 million for the first half of 2026 (first half of 2025: tax credit of RMB162 million). In addition, land appreciation tax for the first half of 2026 was RMB75 million (first half of 2025: RMB81 million).

The loss attributable to owners of the Company was RMB7,149 million for the first half of 2026 (first half of 2025: profit of RMB10,202 million). The recorded loss for the reporting period was mainly attributed to the continuous adjustment in the overall real estate market in the PRC in recent years, resulting in the revenue and gross margin remaining under pressure, along with additional provision for impairment of property projects.

As at 30 June 2026, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB6,373 million, of which approximately 98.8% (31 December 2025: 99.7%) of the Group's cash resources were denominated in RMB with the remaining balances mainly denominated in USD and HKD. The current ratio was 0.87. During the first half of 2026, 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 2026, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately -749%. During the period, the Group's borrowings decreased from RMB50,852 million as at 31 December 2025 to RMB50,391 million as at 30 June 2026. With the loose policies in the real estate market in the PRC for the second half of 2026, 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 2026, approximately 65% 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 2026, approximately 81% 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:

(RMB million)	**As at 30 June 2026**	**As a percentage of total borrowings**	As at 31 December 2025	As a percentage of total borrowings
Within 1 year	**24,631**	**49%**	24,815	49%
1 to 2 years	**4,086**	**8%**	6,010	12%
2 to 5 years	**4,564**	**9%**	4,172	8%
Over 5 years	**17,110**	**34%**	15,855	31%
Total	**50,391**	**100%**	50,852	100%

As at 30 June 2026, total pledged assets accounted for approximately 41% of the total assets of the Group (31 December 2025: 45%).

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 2026, the total amount of the aforesaid guarantees provided by the Group was RMB11,371 million (31 December 2025: RMB10,627 million).

BUSINESS REVIEW

Property development

Recognised sales

The Group's revenue from property development segment increased by approximately 25% in the first half of 2026 to RMB4,105 million as compared to RMB3,296 million for the corresponding period in 2025. Saleable GFA delivered increased by approximately 52% from 340,000 sq.m. for the first half of 2025 to 516,000 sq.m. for the first half of 2026. Excluding car park sales, the average selling price recognised for the first half of 2026 decreased to approximately RMB8,300 per sq.m. (first half of 2025: RMB11,000 per sq.m.). The decrease was mainly due to the geographical location of the projects being delivered, of which were not mainly located in first-tier cities during the first half of 2026.

Revenue and saleable GFA delivered by cities during the first half of 2026 are set out as follows:

Regions	Cities	Revenue	Saleable GFA delivered	Approximate average selling price recognised
		(RMB million)	*(sq.m.)*	*(RMB/sq.m.)*
Beijing Region	Beijing	28	820	34,100
	Taiyuan	27	2,743	9,800
	Qinhuangdao	28	1,937	14,500
	Langfang	77	5,430	14,200
		160	**10,930**	**14,600**
Bohai Rim Region	Tianjin	663	47,103	14,100
	Qingdao	12	1,632	7,400
	Jinan	2,225	311,553	7,100
	Dalian	29	2,614	11,100
	Shenyang	1	100	10,000
		2,930	**363,002**	**8,100**

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognised (RMB/sq.m.)
Eastern Region	Wenzhou	4	286	14,000
		4	**286**	**14,000**
Southern Region	Shenzhen	29	1,372	21,100
	Guangzhou	38	2,748	13,800
	Maoming	11	4,188	2,600
	Fuzhou	24	2,225	10,800
	Jiangmen	7	1,037	6,800
	Zhongshan	264	32,784	8,100
	Zhanjiang	105	17,719	5,900
	Hong Kong	44	550	80,000
		522	**62,623**	**8,300**
Central Region	Wuhan	86	9,920	8,700
	Ganzhou	204	33,487	6,100
		290	**43,407**	**6,700**
Western Region	Chengdu	5	413	12,100
	Chongqing	21	1,918	10,900
	Xi'an	16	736	21,700
	Guiyang	29	4,344	6,700
		71	**7,411**	**9,600**
	Other projects	76	3,042	25,000
Subtotal (excluding carparks)		**4,053**	**490,701**	**8,300**
Carparks (various projects)		52	25,038	2,100
Total		**4,105**	**515,739**	**8,000**

Contracted sales

Due to the impact caused by 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 2026 amounted to RMB8,140 million, representing an approximately 39% decrease as compared to RMB13,370 million from the corresponding period in 2025. GFA sold for the first half of 2026 decreased by approximately 20% to 676,200 sq.m. (first half of 2025: 849,000 sq.m.). Excluding car park sales, the average selling price decreased by approximately 30% to RMB13,300 per sq.m. (first half of 2025: RMB18,900 per sq.m.). The decrease in average selling price was primarily because of the decrease in newly launched projects in the first-tier cities during the first half of 2026.

There were around 120 projects available for sale during the first half of 2026 (first half of 2025: 130 projects). In terms of distribution, contracted sales from first-tier and second-tier cities accounted for approximately 80%.

The contracted sales amounts and saleable GFA sold by cities during the first half of 2026 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	202	5,700	35,400
	Taiyuan	19	2,100	9,000
	Qinhuangdao	104	8,400	12,400
	Langfang	22	2,200	10,000
	Jinzhong	16	2,600	6,200
		363	**21,000**	**17,300**
Bohai Rim Region	Tianjin	885	69,100	12,800
	Qingdao	7	1,300	5,400
	Jinan	593	38,100	15,600
	Dalian	9	1,400	6,400
	Shenyang	2	200	10,000
		1,496	**110,100**	**13,600**

Regions	Cities	Contracted sales *(RMB million)*	Approximate Saleable GFA sold *(sq.m.)*	Approximate average selling price *(RMB/sq.m.)*
Eastern Region	Shanghai	457	14,400	31,700
	Suzhou	29	2,600	11,200
	Wuxi	334	17,500	19,100
	Changzhou	2	200	10,000
	Wenzhou	11	800	13,800
	Jinhua	1	200	5,000
	Zhenjiang	135	27,000	5,000
	Suqian	57	9,000	6,300
		1,026	**71,700**	**14,300**
Southern Region	Shenzhen	2,067	43,900	47,100
	Guangzhou	31	1,900	16,300
	Fuzhou	26	2,300	11,300
	Foshan	104	8,100	12,800
	Maoming	6	1,000	6,000
	Jiangmen	32	3,500	9,100
	Zhongshan	181	13,600	13,300
	Zhanjiang	7	2,100	3,300
		2,454	**76,400**	**32,100**
Central Region	Wuhan	64	6,100	10,500
	Zhengzhou	275	22,800	12,100
	Changsha	41	5,400	7,600
	Nanchang	7	600	11,700
	Ganzhou	92	15,000	6,100
		479	**49,900**	**9,600**

Regions	Cities	Contracted sales *(RMB million)*	Approximate Saleable GFA sold *(sq.m.)*	Approximate average selling price *(RMB/sq.m.)*
Western Region	Chengdu	115	8,800	13,100
	Chongqing	20	1,700	11,800
	Xi'an	649	59,500	10,900
	Guiyang	247	25,700	9,600
	Urumqi	9	600	15,000
	Xining	28	9,900	2,800
	Xishuangbanna	29	2,100	13,800
	Baoshan	128	24,700	5,200
		1,225	**133,000**	**9,200**
	Other projects	897	134,700	6,700
Subtotal (excluding carparks)		**7,940**	**596,800**	**13,300**
Carparks (various projects)		200	79,400	2,500
Total		**8,140**	**676,200**	**12,000**

Landbank

As at 30 June 2026, the landbank of the Group (including its joint ventures and associates) decreased to 24,500,000 sq.m. (31 December 2025: 27,051,000 sq.m.); and landbank with attributable interest decreased to 12,830,000 sq.m. (31 December 2025: 14,160,000 sq.m.) accordingly. During the first half of 2026, we together with our joint ventures and associates did not acquire any plot of land. In terms of total saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2026 was approximately RMB6,200 (31 December 2025: RMB6,100 per sq.m.).

The landbank details of the Group and its joint ventures and associates as at 30 June 2026 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	1	51.00%
		Central Peak	Changping District, Beijing	256	193	176	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	8	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	44	58.00%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	56	31.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	102	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%
		Royal River Villa	Chaoyang District, Beijing	132	118	12	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	42	51.00%
		Vision Place	Chaoyang District, Beijing	27	21	27	28.57%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	26	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	85.65%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				5,036	**4,021**	**2,528**	
	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	140	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	42	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	116	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	67	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**	**670**	

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	1,056	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	18	52.15%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,127	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	45	–	45	64.30%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	29.16%
				2,419	**1,246**	**1,263**	
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	747	30.85%
				13,504	**9,636**	**6,456**	
Bohai Rim Region	Tianjin	Capital Palace	Jizhou District, Tianjin	346	213	193	52.15%
		Happy Light Year	Wuqing District, Tianjin	207	176	25	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	2,579	2,013	1,334	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	3	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	7	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	259	51.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				5,013	**3,636**	**2,113**	
	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	14	100.00%
				592	**432**	**20**	
	Jinan	Fantastic Time	Tianqiao District, Jinan	535	435	231	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	256	100.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	95	85.65%
		Ocean Epoch	Lixia District, Jinan	390	371	140	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	18	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	91	42.00%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	45	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	257	30.66%
				3,317	**2,741**	**1,133**	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	542	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	1	51.00%
		Ocean Orient	Jinpu New Area, Dalian	116	113	116	85.65%
		Ocean Tower River Bay	Lvshunkou District, Dalian	234	200	194	100.00%
				2,036	**1,808**	**853**	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	246	60.00%
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	216	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				12,034	**9,479**	**4,620**	

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 (%)
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	922	588	477	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
				1,260	**748**	**612**	
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	47	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	1	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	7	45.60%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
				806	**633**	**132**	
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	45	15.00%
		One Residence	Xinwu District, Wuxi	211	154	22	21.66%
				407	**311**	**67**	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
	Wenzhou	Four Seasons Mansion	Longwan District, Wenzhou	85	60	10	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	138	41.36%
				361	**234**	**148**	
	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	123	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	304	50.00%
	Suqian	Shuyang Sky Masion	Shuyang County, Suqian	545	407	33	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	157	14.08%
				1,029	**818**	**190**	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				5,521	**3,718**	**2,456**	
Southern Region	Shenzhen	Ocean City	Longgang District, Shenzhen	323	303	323	81.00%
		Ocean Express	Longgang District, Shenzhen	556	437	75	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	27	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%
				1,379	**1,070**	**777**	

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 (%)
	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	6	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	8	100.00%
				529	**327**	**24**	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	30	100.00%
	Foshan	Landscape	Shunde District, Foshan	80	63	39	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	60	50.00%
				220	**170**	**99**	
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	27	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	143	100.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	28	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	31	100.00%
				307	**234**	**59**	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	770	75.00%
		Ocean Palace	Southern District, Zhongshan	181	134	107	100.00%
				1,353	**1,171**	**877**	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	140	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	74	100.00%
				5,203	**4,066**	**2,250**	
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	86	70.00%
		Oriental Worldview II	Hanyang District, Wuhan	322	229	322	7.75%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	89	70.00%
				2,680	**1,739**	**760**	

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%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	38.88%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	14	55.00%
		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	54	49.00%
				1,358	**1,022**	**867**	
	Hefei	Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	31	70.00%
				304	**263**	**135**	
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	435	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
				1,429	**1,000**	**986**	
	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	29	52.15%
				429	**346**	**46**	
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	40	53.59%
				7,088	**5,075**	**2,834**	
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	60	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**	**318**	
	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	15	34.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	34	56.10%
				924	**720**	**72**	

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	313	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	30	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				1,884	**1,363**	**1,271**	
	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	85	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**	**429**	
	Urumqi	Royal Mansion	Saybag District, Urumqi	402	293	171	28.97%
	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	512	41.72%
		Sky Palace	Chengxi District, Xining	311	254	117	76.55%
				1,710	**1,272**	**750**	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	152	26.07%
	Baoshan	Qinghuahai Park	Longyang District, Baoshan	2,704	1,751	1,738	26.07%
				10,744	**7,456**	**5,818**	
Other Region	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				66	**57**	**66**	
Total				**54,160**	**39,487**	**24,500**	

Property Investment

During the first half of 2026, revenue from property investment decreased by approximately 6% to RMB136 million (first half of 2025: RMB144 million). As at 30 June 2026, the Group (including its joint ventures and associates) held more than 22 operating investment properties. Our investment properties are mainly prime A-grade office premises, shopping malls, commercial complex and logistics projects at prime locations. Vision Place in Beijing was completed in August 2026.

The investment properties of the Group and its joint ventures and associates as at 30 June 2026 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	–	–	–	90%	100%
Grand Canal Place (Beijing)	Tongzhou District, Beijing	111,000	60,000	51,000	–	–	56%	65%
Ocean Incom (Beijing)	Shunyi District, Beijing	49,000	32,000	2,000	–	15,000	60%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	82%	100%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	71%	100%
Shuyang Ocean We-life Plaza (Suqian)	Shuyang County, Suqian	39,000	–	39,000	–	–	60%	100%
Citylane (Wuhan)	Hanyang District, Wuhan	23,000	–	23,000	–	–	98%	70%
Ocean We-life Plaza (Ganzhou)	Nankang District, Ganzhou	49,000	–	49,000	–	–	96%	54%
Other projects		23,000	4,000	2,000	–	17,000		
Subtotal		462,000	237,000	175,000	–	50,000		
Other								
INDIGO (Beijing)	Chaoyang District, Beijing	180,000	52,000	47,000	–	81,000	98%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	95%	12%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	87%	72%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	93,000	81,000	12,000	–	–	78%	29%
Eco-city Ocean We-life Plaza (Tianjin)	Binhai New Area, Tianjin	42,000	–	42,000	–	–	98%	52%
Grand Canal Place (Tianjin)	Hedong District, Tianjin	97,000	–	97,000	–	–	95%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	93%	86%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	97%	64%
Ocean We-life Plaza (Jinan)	Shanghe County, Jinan	34,000	–	34,000	–	–	85%	52%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	60%	61%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	59%	30%
Ocean We-life Plaza (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	91%	26%
Ocean We-life Plaza (Suqian)	Sucheng District, Suqian	54,000	–	54,000	–	–	64%	14%
Grand Canal Place (Fuzhou)	Cangshan District, Fuzhou	95,000	–	95,000	–	–	96%	31%
Other projects		2,021,000	257,000	216,000	1,472,000	76,000		
Subtotal		2,905,000	528,000	729,000	1,472,000	176,000		
Total		**3,367,000**	**765,000**	**904,000**	**1,472,000**	**226,000**		

Employees and Human Resources

As at 30 June 2026, the Group had 11,718 employees (31 December 2025: 12,041 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 staff cost in the period decreased to RMB1,043 million (first half of 2025: RMB1,156 million). The decrease in staff cost was mainly the net effect of the reduction of staff cost in the property development segment and the increase of one-off cost related to the optimization of manpower during the period.

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, 14 August 2025, 26 November 2025, 4 February 2026, 23 June 2026 and 11 August 2026, 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, to advance sustainable operations going forward, in light of Sino-Ocean Holding's current situation, the Group planned to provide an overall restructuring plan to holders of certain existing onshore corporate bonds and interbank directed debt financing instruments. This plan would adjust the repayment arrangements for the principal and interest of such bonds/debt financing instruments and offer multiple settlement options, including cash repurchase, equity economic income right, and debt settlement with assets. Sino-Ocean Holding would advance the restructuring of such bonds/debt financing instruments by convening bondholders' meeting(s), and the final restructuring plan shall be subject to the resolutions set forth in the bondholders' meeting notice(s).

Bondholders' meetings for relevant corporate bonds had been subsequently convened, at which the resolutions concerning the restructuring of the relevant bonds were approved. Pursuant to the announcements regarding the results of the relevant bondholders' meetings, the cash repurchase option, the equity economic income right option, and the debt settlement with assets option (debt settlement with proceeds from residential projects and debt settlement with proceeds from commercial projects) would be subsequently initiated, in sequence, by the relevant parties.

On 23 June 2026, the Group announced the details of the cash repurchase option in respect of nine onshore bonds/debt financing instruments of the Group. On 11 August 2026, the Group announced the implementation results of the cash repurchase. Subsequently, the Group will continue to move forward other restructuring options in accordance with the approved resolutions concerning the bonds restructuring.

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

IMPORTANT EVENTS AFTER THE PERIOD ENDED 30 JUNE 2026

Save as disclosed 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 2026.

The unaudited interim results of the Group for the six months ended 30 June 2026 are as follows:

Interim Condensed Consolidated Statement of Profit or Loss

	Notes	**Six months ended 30 June 2026** *RMB'000*	2025 *RMB'000*
Revenue	*4*	**6,596,507**	6,203,069
Cost of sales		**(6,581,022)**	(11,169,233)
Gross profit/(loss)		**15,485**	(4,966,164)
Interests and other income		**121,632**	447,672
Other losses — net	*7*	**(248,014)**	(3,326,486)
Fair value change on investment properties		**(596,257)**	(643,676)
Selling and marketing expense		**(198,896)**	(360,808)
Impairment losses under expected credit loss model		**(4,021,688)**	(9,724,988)
Administrative expense		**(544,729)**	(631,543)
Operating loss		**(5,472,467)**	(19,205,993)
Gains from debt restructuring		**275,607**	31,756,397
Finance costs	*8*	**(1,667,695)**	(2,064,729)
Share of results of joint ventures		**(421,359)**	(1,173,565)
Share of results of associates		**(109,191)**	(337,339)
(Loss)/profit before income tax		**(7,395,105)**	8,974,771
Income tax (expense)/credit	*9*	**(237,529)**	81,386
(Loss)/profit for the period		**(7,632,634)**	9,056,157
Attributable to:			
— Owners of the Company		**(7,149,177)**	10,202,141
— Non-controlling interests		**(483,457)**	(1,145,984)
		(7,632,634)	9,056,157
(Loss)/earnings per share attributable to owners of the Company during the period (expressed in RMB)	*10*		
Basic (loss)/earnings per share		**(0.598)**	1.171
Diluted (loss)/earnings per share		**(0.598)**	0.919

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(7,632,634)**	9,056,157
Other comprehensive (loss)/income, 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	**(41,741)**	25,888
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(169,293)**	496,686
Share of other comprehensive income of investments accounted for using the equity method	**(2,653)**	(27,421)
Other comprehensive (loss)/income for the period	**(213,687)**	495,153
Total comprehensive (loss)/income for the period	**(7,846,321)**	9,551,310
Total comprehensive (loss)/income attributable to:		
— Owners of the Company	**(7,483,192)**	10,706,576
— Non-controlling interests	**(363,129)**	(1,155,266)
Total comprehensive (loss)/income for the period	**(7,846,321)**	9,551,310

Interim Condensed Consolidated Statement of Financial Position

	Notes	**As at 30 June 2026** *RMB'000*	As at 31 December 2025 *RMB'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,012,089**	2,080,433
Right-of-use assets		**1,059,025**	1,163,210
Land use rights		**75,197**	77,904
Intangible assets		**177,828**	198,207
Goodwill		**526,648**	541,559
Investment properties		**12,567,851**	13,119,513
Interests in joint ventures		**10,657,361**	11,163,095
Interests in associates		**2,557,237**	2,748,745
Financial assets at fair value through other comprehensive income		**408,310**	469,147
Financial assets at fair value through profit or loss		**2,413,649**	2,458,311
Trade and other receivables and prepayments	*5*	**2,622,093**	4,695,970
Deferred income tax assets		**2,166,835**	2,313,970
Total non-current assets		**37,244,123**	41,030,064
Current assets			
Properties under development		**31,957,188**	34,308,718
Inventories, at cost		**876,077**	972,787
Land development cost recoverable		**586,620**	554,178
Completed properties held for sale		**18,031,119**	19,019,881
Financial assets at fair value through profit or loss		**11,643**	11,366
Trade and other receivables and prepayments	*5*	**48,650,180**	48,998,181
Contract assets		**83,550**	56,965
Restricted bank deposits		**4,969,555**	4,470,272
Cash and cash equivalents		**1,403,327**	1,552,758
Total current assets		**106,569,259**	109,945,106

	Notes	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Current liabilities			
Borrowings		**24,630,911**	24,814,907
Lease liabilities		**108,526**	127,268
Trade and other payables	*6*	**53,329,990**	52,196,683
Contract liabilities		**17,665,053**	18,204,883
Income tax payable		**12,505,004**	12,601,376
Derivative financial instruments		**74,011**	238,000
Provisions		**13,648,881**	12,609,818
Total current liabilities		**121,962,376**	120,792,935
Non-current liabilities			
Borrowings		**25,759,673**	26,036,724
Lease liabilities		**1,209,610**	1,286,896
Trade and other payables	*6*	**19,887**	165,814
Deferred income tax liabilities		**737,588**	793,842
Total non-current liabilities		**27,726,758**	28,283,276
Net (liabilities)/assets		**(5,875,752)**	1,898,959
EQUITY			
Equity attributable to owners of the Company			
Share capital		**28,204,780**	28,130,087
Perpetual securities		**1,038,891**	1,038,891
Other reserves		**(4,465,258)**	(4,131,243)
Accumulated losses		**(31,820,670)**	(24,671,493)
		(7,042,257)	366,242
Non-controlling interests		**1,166,505**	1,532,717
Total equity		**(5,875,752)**	1,898,959

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 2026 by the board of directors of the Company (the "**Board**").

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 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 disclosures required by the 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 2025, which have been prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated financial statements for the six months ended 30 June 2026 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 2025 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 2025 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.

Going concern assumption

The Group recorded a loss of RMB7.63 billion for six months ended 30 June 2026 and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB15.39 billion. The Group had total borrowings of approximately RMB50.39 billion, of which the current borrowings amounted to approximately RMB24.63 billion, while the Group had cash and cash equivalents of approximately RMB1.40 billion only.

As at 30 June 2026, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB13.64 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.39 billion in aggregate according to their scheduled repayment dates. 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.

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. This mainly includes the sustained downturn in PRC's real estate market and consumer sentiment, resulting in short-term liquidity pressures on the entire real estate sector.

The Group experienced tight internal funds and encountered a challenging financing environment for its construction projects. The uncertain timeline for recovery in the real estate sector remained material uncertainties for the Group. These factors have made it difficult for the Group to significantly improve the 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 (the "**Directors**") have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2026 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:

— In the second half of 2025, the restructuring plan in relation to certain onshore bonds ("**Onshore Bonds**") issued by Beijing Sino-Ocean Group Holding Limited ("**Sino-Ocean Holding**"), a wholly-owned subsidiary of the Company, have been considered and approved at the relevant meetings of bondholders, whereby the repayment arrangements in regard to the principal and interest of the Onshore Bonds were adjusted and extended with the last maturity date being September 2035 with the interest rates for both historical accrued and unpaid interest and future interest reduced to 1% per annum, and restructuring plan options including cash repurchase, equity economic income right, and debt settlement with assets are provided ("**Onshore Debt Restructuring**"). This plan not only significantly reduced the scale of onshore public debts, but also alleviated the Group's short-term debt repayment pressure.

  On 23 June 2026, the Group announced the specific details of its cash repurchase option for nine onshore bonds. On 11 August 2026, the Group announced the implementation results of the cash repurchase and completed the corresponding fund redemption. Subsequently, the Group will move forward to other restructuring plan options in accordance with the approved resolutions concerning the Onshore Debt Restructuring;

— On 23 March 2026, one of the offshore creditors fully discharged all debts owed by the Group in exchange for the issuance of new notes and new mandatory convertible bonds. As a result, the Group's existing debt of approximately HKD0.40 billion was fully derecognized;

— 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, and extension of loans of approximately RMB3.40 billion has been agreed for the six months ended 30 June 2026. 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 had newly drew down of approximately RMB0.25 billion for the six months ended 30 June 2026. The Group will continue to seek to obtain additional new sources of funding through all possible channels such as assets disposal;

— 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 has completed the settlement arrangements with certain plaintiffs for the six months ended 30 June 2026. 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; and

— To preserve liquidity, the Group continues to enforce strict cost controls over administrative costs and non-essential capital expenditures. As a result of these measures, administrative expense for the first half of 2026 decreased by RMB86.81 million compared to the same period last year. Building on this, the Group is actively evaluating additional feasible measures to further reduce discretionary spending.

The Directors 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 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; and

— 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; 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 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 2026. Accordingly, the Directors 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 net 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.

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 2025, as described in those annual financial statements, except for the adoption of amendments to standards as set out below.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11

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 2026.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company (the "**Executive Directors**") who make strategic decisions.

The Executive Directors 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 senior living services and asset-light agent construction, etc. These are not included within the reportable operating segments, as they are not included in the reports provided to the Executive Directors. The results of these operations are included in the "All other segments" column.

The Executive Directors 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, 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 results from interests in joint ventures and associates as well as fair value change on investment properties, corporate overheads, other losses-net and gains from debt restructuring. Other information provided to the Executive Directors, 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 for the reportable segments is as follows:

	Property Development									
	Beijing Region	Bohai Rim Region	Eastern Region	Southern Region	Central Region	Western Region	Property investment	Property management	All other segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026										
Total segment revenue	**252,550**	**2,957,767**	**(1,880)**	**528,971**	**305,417**	**73,849**	**140,509**	**1,290,673**	**1,439,860**	**6,987,716**
Inter-segment revenue	**(5,377)**	**(6,250)**	**–**	**–**	**–**	**–**	**(4,810)**	**(30,878)**	**(343,894)**	**(391,209)**
Revenue (from external customers)	**247,173**	**2,951,517**	**(1,880)**	**528,971**	**305,417**	**73,849**	**135,699**	**1,259,795**	**1,095,966**	**6,596,507**
Segment operating (loss)/profit	**(254,275)**	**(22,252)**	**(223,590)**	**(249,256)**	**73,483**	**33,755**	**65,514**	**(122,390)**	**(3,872,757)**	**(4,571,768)**
Depreciation and amortization	**(8,873)**	**(69)**	**(8)**	**(123)**	**(17)**	**(3)**	**(696)**	**(3,531)**	**(104,576)**	**(117,896)**
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 (loss)/profit	(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)

	Property Development									
	Beijing Region	Bohai Rim Region	Eastern Region	Southern Region	Central Region	Western Region	Property investment	Property management	All other segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026										
Total segment assets	**15,986,616**	**9,050,015**	**2,974,915**	**22,044,944**	**11,366,687**	**6,680,884**	**12,749,694**	**2,348,498**	**42,309,056**	**125,511,309**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**291**	**20**	**–**	**–**	**–**	**–**	**48,943**	**–**	**4,945**	**54,199**
Total segment liabilities	**6,807,535**	**8,588,390**	**5,725,222**	**22,124,055**	**6,373,551**	**4,361,681**	**1,491,293**	**1,195,956**	**41,819,268**	**98,486,951**
As at 31 December 2025										
Total segment assets	15,358,128	11,498,635	2,924,572	20,948,254	12,154,050	6,196,805	13,031,015	2,174,570	47,443,736	131,729,765
Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,965	8	30	26,963	5	–	722,139	–	15,964	770,074
Total segment liabilities	7,261,434	10,118,447	4,719,812	20,465,719	5,749,425	3,807,651	1,564,714	1,191,864	42,313,672	97,192,738

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Segment operating loss	**(4,571,768)**	(15,169,221)
Corporate finance income	**46**	62
Corporate overheads	**(56,474)**	(66,672)
Gains from debt restructuring	**275,607**	31,756,397
Fair value change on investment properties	**(596,257)**	(643,676)
Other losses — net *(Note 7)*	**(248,014)**	(3,326,486)
Finance costs *(Note 8)*	**(1,667,695)**	(2,064,729)
Share of results of joint ventures	**(421,359)**	(1,173,565)
Share of results of associates	**(109,191)**	(337,339)
(Loss)/profit before income tax	**(7,395,105)**	8,974,771

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Total segment assets	**125,511,309**	131,729,765
Corporate cash and cash equivalents	**87,038**	80,771
Interests in joint ventures	**10,657,361**	11,163,095
Interests in associates	**2,557,237**	2,748,745
Financial assets at fair value through other comprehensive income	**408,310**	469,147
Financial assets at fair value through profit or loss	**2,425,292**	2,469,677
Deferred income tax assets	**2,166,835**	2,313,970
Total assets per condensed consolidated statement of financial position	**143,813,382**	150,975,170
Total segment liabilities	**98,486,951**	97,192,738
Current borrowings	**24,630,911**	24,814,907
Non-current borrowings	**25,759,673**	26,036,724
Derivative financial instruments	**74,011**	238,000
Deferred income tax liabilities	**737,588**	793,842
Total liabilities per condensed consolidated statement of financial position	**149,689,134**	149,076,211

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 2026 and 2025.

As at 30 June 2026, total non-current assets (other than financial instruments and deferred income tax assets) located in the Mainland China and Hong Kong amounted to approximately RMB29,632,697,000 and RMB539,000 (31 December 2025: RMB31,092,145,000 and RMB521,000), respectively.

For the six months ended 30 June 2026 and 2025, 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 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Trade receivables (a)	**2,854,254**	3,151,222
Other receivables and prepayments (b)	**48,418,019**	50,542,929
	51,272,273	53,694,151
Less: non-current portion	**(2,622,093)**	(4,695,970)
Current portion	**48,650,180**	48,998,181

(a) Trade receivables

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**5,535,291**	5,503,485
Less: provision for impairment of trade receivables	**(2,681,037)**	(2,352,263)
	2,854,254	3,151,222
Less: non-current portion	**–**	–
Current portion	**2,854,254**	3,151,222

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 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Within 6 months	**1,037,750**	1,492,778
Between 6 months to 1 year	**874,345**	815,852
Between 1 year to 2 years	**989,640**	1,615,939
Between 2 years to 3 years	**1,072,212**	767,627
Over 3 years	**1,561,344**	811,289
	5,535,291	5,503,485

As at 30 June 2026, trade receivables with carrying amount of approximately RMB133,044,000 (31 December 2025: RMB182,021,000) 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 2026 *RMB'000*	Year ended 31 December 2025 *RMB'000*
Opening amount at beginning of the period/year	**(2,352,263)**	(991,607)
Provision for receivable impairment	**(380,076)**	(1,400,556)
Derecognition from disposal of subsidiaries	**21,774**	39,900
Write-off	**29,528**	–
Closing amount at end of the period/year	**(2,681,037)**	(2,352,263)

(b) Other receivables and prepayments

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Entrusted loans due from joint ventures	**168,020**	366,311
Entrusted loans due from associates	**–**	24,510
Entrusted loans due from third parties	**1,237,000**	1,269,530
Amounts due from joint ventures	**25,456,764**	27,888,811
Amounts due from non-controlling interests	**5,116,445**	5,135,239
Amounts due from associates	**12,930,945**	10,214,446
Amounts due from third parties	**13,742,410**	13,812,922
	58,651,584	58,711,769
Less: provision for impairment	**(26,329,204)**	(24,109,695)
	32,322,380	34,602,074
Receivables from government	**651,294**	653,419
Payment for the cooperation of potential properties development projects	**1,447,812**	1,447,812
Receivables from disposal of interest in subsidiaries	**3,194,502**	3,106,446
Receivables from disposal of interest in a joint venture	**27,137**	27,137
Other receivables	**1,796,983**	1,483,676
	7,117,728	6,718,490
Less: provision for impairment	**(1,466,708)**	(1,421,103)
	5,651,020	5,297,387
Tax prepayments	**5,948,988**	6,244,800
Other prepayments	**4,495,631**	4,398,668
	10,444,619	10,643,468
Total other receivables and prepayments	**48,418,019**	50,542,929
Less: non-current portion	**(2,622,093)**	(4,695,970)
Current portion	**45,795,926**	45,846,959

6. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Trade payables (a)	**12,079,713**	11,993,239
Accrued expenses	**8,690,069**	9,378,182
Amounts due to joint ventures (b)	**9,622,441**	9,546,278
Amounts due to associates (b)	**1,457,540**	1,371,200
Amounts due to non-controlling interests (b)	**501,966**	510,247
Amounts due to government	**529,432**	529,544
Other taxes payable	**4,262,433**	4,256,457
Deposits received	**1,398,336**	1,478,879
Other payables	**14,807,947**	13,298,471
	53,349,877	52,362,497
Less: non-current portion	**(19,887)**	(165,814)
Current portion	**53,329,990**	52,196,683

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 2026 *RMB'000*	As at 31 December 2025 *RMB'000*
Within 6 months	**540,725**	2,991,851
Between 6 months to 1 year	**1,477,902**	1,345,818
Between 1 year to 2 years	**3,109,412**	2,439,967
Between 2 years to 3 years	**2,090,838**	2,013,760
Over 3 years	**4,860,836**	3,201,843
	12,079,713	11,993,239

(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	
	2026	2025
	RMB'000	*RMB'000*
Fair value change of financial assets at fair value through profit or loss and derivative financial instruments	**115,309**	(1,422,241)
Exchange gains/(losses), net	**358,183**	(363,368)
Payment for the settlement of contracted obligations	**(3,515)**	(48,240)
(Losses)/gains on disposal of property, plant and equipment	**(4,758)**	356
(Losses)/gains on disposal of interests in subsidiaries	**(168,476)**	13,567
Losses on disposal of joint ventures and associates	**(13,999)**	(183,997)
Losses on deemed disposal of joint ventures and associates, net	**–**	(163,221)
Provision for litigation and other contingent liabilities	**(496,144)**	(422,183)
Impairment loss on property, plant and equipment	**–**	(324,594)
Impairment loss on goodwill	**(14,911)**	(409,008)
Other losses	**(19,703)**	(3,557)
	(248,014)	(3,326,486)

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest expense:		
— Bank borrowings	**675,533**	1,250,425
— Other borrowings	**1,358,314**	1,465,769
— Lease liabilities	**35,774**	48,469
	2,069,621	2,764,663
Less: interest capitalized at a capitalization rate of 8.23% (2025: 5.84%) per annum	**(401,926)**	(699,934)
	1,667,695	2,064,729

9. INCOME TAX EXPENSE/(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 2026 and 2025. Other Group entities are mainly subject to Hong Kong profits tax.

The amount of income tax expense/(credit) charged to the statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax:		
— PRC enterprise income tax	**49,003**	116,121
— PRC land appreciation tax	**75,460**	80,572
Deferred income tax	**113,066**	(278,079)
	237,529	(81,386)

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company, after deducting distributions related to perpetual securities, by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
(Loss)/profit attributable to owners of the Company (RMB'000)	**(7,149,177)**	10,202,141
Distribution related to perpetual securities (RMB'000)	**(43,039)**	(22,827)
(Loss)/profit used to determine basic (loss)/earnings per share (RMB'000)	**(7,192,216)**	10,179,314
Weighted average number of ordinary shares in issue (thousands)	**12,027,108**	8,689,431
Basic (loss)/earnings per share (RMB per share)	**(0.598)**	1.171

(b) Diluted

For the six months ended 30 June 2026, diluted loss per share was the same as the basic loss per share as potential ordinary share arising from share options, mandatory convertible bonds and equity economic right were not treated as dilutive as the conversion to ordinary shares would not increase the loss per share (six months ended 30 June 2025: diluted earnings per share of RMB0.919 per share).

11. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2026 and 2025.

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as the events disclosed under the "Note 2 Going concern assumption", there was no other significant subsequent event affecting the Group after the six-month period ended 30 June 2026 and up to the date of issuance of the interim condensed consolidated financial statements.

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 2026. As at 30 June 2026, 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 2026 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 2026.

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 2026. 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 RMB7.63 billion for the six months ended 30 June 2026 and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB15.39 billion. As at 30 June 2026, the Group had total borrowings of approximately RMB50.39 billion, of which the current borrowings amounted to approximately RMB24.63 billion, while the Group had cash and cash equivalents of approximately RMB1.40 billion only.

As at 30 June 2026, the Group had not repaid borrowings (comprising bank borrowings and other borrowings but excluding bonds) in principal amount of approximately RMB13.64 billion in aggregate according to their scheduled repayment dates. The Group had not repaid onshore bonds with total principal amount of approximately RMB3.39 billion in aggregate according to their scheduled repayment dates. 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.

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 2026, 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 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; and

— 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 multiple uncertainties and the cumulative effect on the interim condensed consolidated financial statements resulting from the potential interaction 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 net 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 2025 relating to the going concern basis of preparing the consolidated financial statements. Any adjustments to the balances as at 31 December 2025 would affect the balances of these interim condensed consolidated financial statements items as at 1 January 2026 and the corresponding movements, if any, during the six months ended 30 June 2026. The balances as at 31 December 2025 are presented as corresponding figures in the interim condensed consolidated statement of financial position as at 30 June 2026.

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" paragraphs above, 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 2026, to its corporate governance structure and practices as described in the annual report of the Company for the year ended 31 December 2025 and complied with the applicable code provisions of the CG Code throughout the six months ended 30 June 2026, 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 2026 (six months ended 30 June 2025: 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 2026 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.

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
"RMB"	Renminbi, the lawful currency of the PRC
"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
"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 2026

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. YU Zhiqiang, Mr. ZHANG Zhongdang, 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.