



遠洋集團控股有限公司
SINO-OCEAN GROUP HOLDING LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code: 03377.HK

AT 30 WE ARE STANDING TALL AND STRONG

At 30, we have to be self-reliant and self-motivated for improvement.
Given our inner strength, substantial capabilities and sensible actions,
we are able to establish our business firmly, thrive and ultimately determine our destiny.

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ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited was founded in 1993 and has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 September 2007 (Stock Code: 03377.HK), with China Life Insurance Company Limited and Dajia Life Insurance Co., Ltd. as substantial Shareholders.

Sino-Ocean Group has been included as a constituent of Hang Seng Composite Index (HSCI), Hang Seng Composite Industry Index — Properties and Construction and Hang Seng Stock Connect Hong Kong Index.

With a strategic vision of becoming the “Creator of Building Health and Social Value”, Sino-Ocean Group is committed to becoming a pragmatic comprehensive corporation focusing on investment and development while exploring related diversified new businesses. The core businesses of the Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate and real estate financing, etc. The Group adheres to “Serving Users with Craftsmanship” and puts the concept of “Building · Health” into active practice, striving to create a high-quality healthy life style for users through carefully-crafted products and premium services.

Sino-Ocean Group currently owns over 280 projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as Beijing, Shijiazhuang, Taiyuan and Qinhuangdao in the Beijing Region; Tianjin, Qingdao, Jinan and Dalian in the Bohai Rim Region; Shanghai, Hangzhou, Nanjing and Suzhou in the Eastern Region; Shenzhen, Guangzhou, Fuzhou and Hong Kong in the Southern Region; Wuhan, Zhengzhou, Hefei and Changsha in the Central Region; Chengdu, Chongqing, Xi’an and Kunming in the Western Region. In addition, the Company’s business territory has expanded abroad to Singapore, Indonesia, etc. As at 30 June 2023, we had a land reserve of around 41 million sq.m.

CORPORATE INFORMATION

The corporate information of Sino-Ocean Group as of the Latest Practicable Date is as follows:

Directors

Executive Directors

Mr. LI Ming (*Chairman and CEO*)

Mr. WANG Honghui

Mr. CUI Hongjie

Ms. CHAI Juan

Non-executive Directors

Mr. ZHAO Peng

Mr. ZHANG Zhongdang

Mr. YU Zhiqiang

Mr. SUN Jinfeng

Independent Non-executive Directors

Mr. HAN Xiaojing

Mr. JIN Qingjun

Mr. LYU Hongbin

Mr. LIU Jingwei

Mr. JIANG Qi

Audit Committee

Mr. LIU Jingwei (*Chairman of committee*)

Mr. ZHAO Peng

Mr. YU Zhiqiang

Mr. LYU Hongbin

Mr. JIANG Qi

Nomination Committee

Mr. LI Ming (*Chairman of committee*)

Mr. HAN Xiaojing

Mr. JIN Qingjun

Remuneration Committee

Mr. HAN Xiaojing (*Chairman of committee*)

Mr. LYU Hongbin

Mr. JIANG Qi

Strategic and Investment Committee

Mr. LI Ming (*Chairman of committee*)

Mr. WANG Honghui

Ms. CHAI Juan

Mr. SUN Jinfeng

Mr. JIN Qingjun

Mr. LIU Jingwei

Company Secretary

Mr. SUM Pui Ying

Authorized Representatives

Mr. LI Ming

Mr. SUM Pui Ying

Registered Office

Suite 601, One Pacific Place

88 Queensway

Hong Kong

Principal Place of Business

31–33 Floor, Tower A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District, Beijing
PRC

Principal Bankers

(in alphabetical order)

Agricultural Bank of China, Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank of Shanghai Co., Ltd.
Beijing Rural Commercial Bank Co., Ltd.
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Everbright Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
China Minsheng Bank Corp., Ltd.
China Zheshang Bank Co., Ltd.
Chong Hing Bank Limited
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Liaoshen Bank Co., Ltd.
Ping An Bank Co., Ltd.
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

Auditor

BDO Limited
Certified Public Accountants

Legal Advisor

Paul Hastings

Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

Listing Information

The Stock Exchange of Hong Kong Limited
Stock Code: 03377.HK

Company Website

www.sinooceangroup.com

Investor Relations Contact

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LANDBANK DISTRIBUTION

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Sino-Ocean Group Focuses on Acquiring Quality Land Resources, with Landbank Coverage Extended to 63 Cities all over the PRC and Overseas.

Beijing Region

Beijing Shijiazhuang Taiyuan Qinhuangdao Langfang Zhangjiakou Tangshan Jinzhong
 Total GFA: 14,800,000 sq.m.
 Total landbank: 9,928,000 sq.m.
 Number of projects: 50

Bohai Rim Region

Tianjin Qingdao Jinan Dalian Shenyang Changchun Harbin Anshan
 Total GFA: 15,091,000 sq.m.
 Total landbank: 9,431,000 sq.m.
 Number of projects: 38

Eastern Region

Shanghai Hangzhou Nanjing Suzhou Ningbo Wuxi Changzhou Wenzhou Yangzhou Jiaxing Jinhua Zhenjiang Huai'an Suqian Huzhou
 Total GFA: 8,753,000 sq.m.
 Total landbank: 5,484,000 sq.m.
 Number of projects: 41

Southern Region

Shenzhen Guangzhou Fuzhou Foshan Quanzhou Xiamen Zhangzhou Maoming Jiangmen Zhongshan Zhanjiang Sanya Hong Kong
 Total GFA: 7,146,000 sq.m.
 Total landbank: 4,731,000 sq.m.
 Number of projects: 32

Central Region

Wuhan Zhengzhou Hefei Changsha Nanchang Ganzhou
 Total GFA: 8,259,000 sq.m.
 Total landbank: 5,143,000 sq.m.
 Number of projects: 28

Western Region

Chengdu Chongqing Xi'an Kunming Guiyang Urumqi Lanzhou Liuzhou Luzhou Xining Xishuangbanna
 Total GFA: 9,127,000 sq.m.
 Total landbank: 6,164,000 sq.m.
 Number of projects: 35

Other Region

Singapore Jakarta
 Total GFA: 70,000 sq.m.
 Total landbank: 70,000 sq.m.
 Number of projects: 2



FINANCIAL & OPERATION HIGHLIGHTS

Six months ended 30 June (unaudited)

(RMB million)	2023	2022	Changes
Contracted sales	35,660	43,010	-17%
Revenue	20,807	23,412	-11%
Gross (loss)/profit	-125	4,311	N/A
(Loss)/profit for the period	-18,309	108	N/A
Loss attributable to owners of the Company	-18,369	-1,087	1,590%
Loss per share (RMB)			
— Basic	-2.412	-0.143	1,587%
— Diluted	-2.412	-0.143	1,587%
Gross (loss)/profit margin (%)	-1%	18%	-19 pts
Net (loss)/profit margin (%)	-88.0%	0.5%	-88.5 pts
Saleable GFA sold ('000 sq.m.)	2,761	2,555	8%
Saleable GFA delivered ('000 sq.m.)	1,223	1,446	-15%

(RMB million)	As at 30 June 2023 (unaudited)	As at 31 December 2022 (audited)	Changes
Total assets	216,143	246,072	-12%
Equity attributable to owners of the Company	12,741	31,747	-60%
Cash resources ¹	7,650	9,386	-18%
Net gearing ratio ² (%)	326%	183%	143 pts
Current ratio (times)	1.15	1.40	-18%
Landbank ('000 sq.m.)	40,951	42,981	-5%

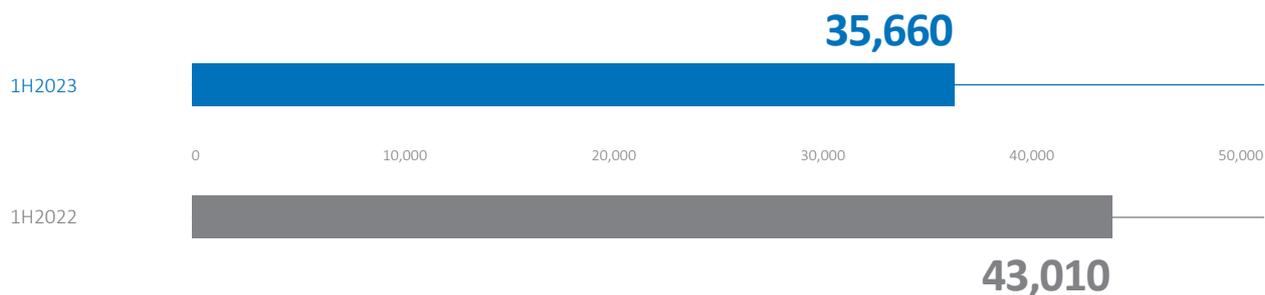
Notes:

1 Including restricted bank deposits

2 Total borrowings minus cash resources divided by total equity

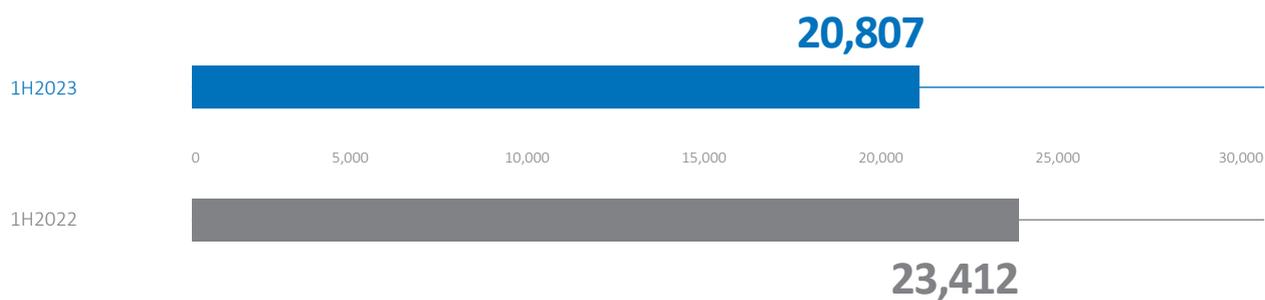
Contracted Sales

(RMB million)



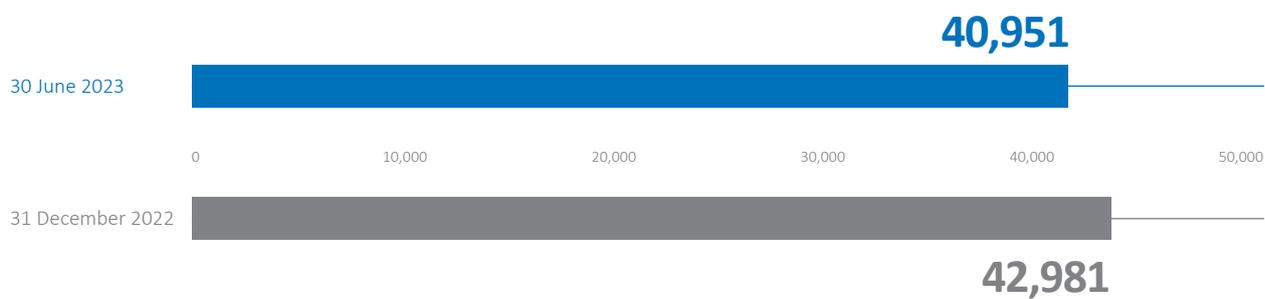
Revenue

(RMB million)



Landbank

('000 sq.m.)



CHAIRMAN'S STATEMENT

On behalf of the Board, I have the pleasure to present the unaudited interim results of the Group for the six months ended 30 June 2023.

2023 INTERIM RESULTS

For the six months ended 30 June 2023, our Group's revenue was RMB20,807 million, representing a YoY decrease of 11%. Due to the impact caused by the downturn in the overall real estate market in the PRC, the Group's gross loss was RMB125 million (first half of 2022: gross profit of RMB4,311 million), and the Group's gross loss margin was 1% (first half of 2022: gross profit margin of 18%). Loss attributable to owners of the Company and loss per share (basic and diluted) were RMB18,369 million and RMB2.412, respectively.

MARKET REVIEW AND OUTLOOK

In the first half of 2023, the overall performance of China's real estate market hyped first and then declined. In the first quarter, relaxation of policies and release of concentrated demands have pushed up the China's real estate market, resulting in a 4% growth in sales of national commercial housing YoY. Since late April, demands dwindled and real estate policies were not as strong as anticipated, home purchasers' income and ownership expectations are becoming increasingly sluggish, the market momentum has changed from 'Indian summer' to 'late spring cold'. Transactions volume further dropped and sales increment of commercial housing in June turned negative YoY. As sales sluggishness prolonged, the Central Government's '16-Point' and '3 Arrows' policies supporting financing activities in the real estate industry were released from end of 2022, however, financial institutions are still cautious towards the real estate industry, making financing activities extremely difficult for most of real estate enterprises. Since the latter half of 2021 till now, real estate enterprises have suffered for two years of their declining cash collection and net financing cash outflows. Cash flow has been fully utilised and more enterprises are experiencing liquidity crisis or debt default.

Looking forward to the second half of the year, China's Politburo meeting in July has released encouraging messages signalling an upturn in policies. Control measures in first-tier and core second-tier cities are likely to be further relaxed to promote urban villages renewal, which is expected to be beneficial to the return of core cities demand. However, as the macroeconomy is still under pressure, conservative citizen's anticipated income and weak home purchase sentiment, the effects of the policies are probably weakened and it is not optimistic on the market recovery.

However, in the medium to long term, the Group is still optimistic in China's about RMB10 trillion real estate market and the structural opportunities therein. Having departed from the 'high risks, high profits, high turnover' model, China's real estate industry is entering into the new development model of 'medium risks, medium profits, medium turnover'. Followed by market clearing and improving the competition, real estate companies are expected to be more focus on product quality, customer service and health and safety, and hence, bright future is ahead.

RESULTS REVIEW AND STRATEGIES

In the first half of 2023, facing with the challenging real estate market in which property sales and credit policy revival were not as expected, increasing uncertainty in the sale of bulk assets and continuing closure of public refinancing channels, the Group adopted a series of measures in response to tackle the challenges. The Group focused on the principal business of property development, as well as corporate structure optimization and continuing comprehensive works on cash flow revitalisation in order to ensure the normal operation and timely debt repayments.

Remained focus on property development and maintained the first tier position in the market

With the game changing market, the Group remained focus on property development, digital marketing channels establishment and low return assets disposals. For the first half of 2023, the Group has achieved total contracted sales of RMB35.66 billion, ranked 27 in the industry. Reaping the results of deep development in tier-one and core tier-two cities, the Group was one of the front runners for months in property sales in Jinan, Tianjin, Wuxi, Wenzhou, Zhongshan and Dalian.

Delivered efficiently and timely, with overall quality maintained in Top 10 among the peers

In the first half of 2023, the Group emphasised on product delivery. A total of 16,000 high quality units was delivered in Guangzhou, Shenzhen, Wuhan, Tianjin and Jinan, of which approximately 5,900 units were given certificates of property ownership upon completion of handover procedures. Numerous projects were delivered over 90% in one time. The Group also ascertained stringent control of quality requirements. Third party data² indicated that the Group ranked Top 10 among major property enterprises in terms of quality delivery and ranked Top 5 among real estate industry in terms of fitout apartments and landscape. The continual rise in quality delivery for three consecutive years which showed recognition from property owners and the market.

Managed risks proactively under short-term liquidity pressure

In the first half of 2023, with an extremely challenging market, the Group sold some core investment properties and toughly managed to repay debts timely in the open market. However, net repayment of long-term borrowings severely drained the Group's own funding, while cash collection process continued to shrink as property sales declined. In addition, funds usage was seriously restricted, disposal of assets was highly uncertain, and re-financing process of bonds continued to standstill, all the above factors caused the Group experiencing periodic inadequate liquidity since June 2023. Funds for further repayment of bonds have nearly dried up. The Group was forced to extend the maturity date of on-shore corporate bond which was matured in August and interest payment date of off-shore USD bonds.

The Group would like to express its sincere apologies to all investors. The Group has promised that the Group will not evade any outstanding debts and will continue to seek all possible and effective channels to settle the debts issues properly. The Group strives to take all effective measures and reach consensus with investors. The Group will continue to make our utmost efforts in operation and management, explore all channels to push up property sales and revitalise cash collection process. We will also accelerate assets disposal plans including revitalization of investment properties in tier-one and core tier-two cities, seeking for more project loans financing, enhancing management of costs and strengthening control in costs and expenses to repay debts, and try the best to satisfy investors' demand.

Actively destocking existing landbank, slowing down investment on acquisition of new land

In the first half of 2023, maintaining liquidity was the Group's first priority. The Group focused on destocking existing landbank and slowing down investment on acquisition of new land. As at 30 June 2023, the Group still owned a diversified portfolio of land resources, with around 41 million sq.m. landbank for development, mainly located in tier-one and tier-two core cities. Based on saleable area, the average land cost was approximately RMB6,700 per sq.m.

Notes:

- 1 According to TOP 200 ranking of China Real Estate Developers by total sales of January to June 2023 (CRIC)
- 2 According to the statistics provided by Shenzhen Ridge Engineering Consulting Co. Ltd

Performance of investment property operation remained stable and asset revitalization increased liquidity

Operation performance of investment properties continues to contribute a stable growth with a relative high occupancy. As at 30 June 2023, for office area, occupancy rate of Ocean Plaza (Beijing) was 95%. For retail area, occupancy rate of INDIGO (Beijing) and Grand Canal Place (Hangzhou) was 100% and 96%, respectively. Grand Canal Place (Beijing), the commercial complex situated in the sub-center of Beijing, was grand opened on 30 June 2023. The Group's investment properties are of superior quality. Looking forward, total GFA of commercial and office areas under construction will be approximately 1.4 million sq.m. As more developing projects gradually open, the Group's relevant income is expected to maintain a stable growth.

Resolute with the concept of 'Building · Health' and construction of landmark health projects

In 2023, the Group continues with the concept of 'Building · Health' and remains focus on users' needs. With years of practical experiences and feedbacks, combined with research results of three major areas, namely, healing phyto-medicine, healing plant visualization system and indoor odour control, these facilitated the completion and release of Sino-Ocean Health Series 2.0 (2023 version). It covered five major health dimensions, from interiors, buildings, landscape, to location and culture in all developments; 21 health systems scenarios and 89 essential values. There are now altogether up to 295 implementation policies and standards. The Group took into account improvement of the physical environment for health, guidance to a healthy lifestyle, and low carbon technology incorporating these three special features. The Group also advocated a healthy lifestyle with the brand new concept of the latest Sino-Ocean health series. As at 30 June 2023 the Sino-Ocean building health series were applied in over 140 projects in more than 50 cities in China, covering area more than 27 million sq.m.

In the second half of the year, the Group will continue to focus on cash flow management, through concentrating on our core business, adjusting capital structure, and committing to ensure 'guaranteed delivery, stability and operation'. We will grasp the policy windows while speeding up sales and improving cash inflow, in order to enhance our fund allocation capacity. The Group will optimize its capital structure, via speeding up revitalization of inefficient assets and the settlement of accounts receivables, motivating project loans financing for improving debt structure. The Group will continue to insist in serving customers with an artisanal spirit, enhance product quality and ensure timely delivery and customers' satisfaction. We will keep exploring different ways of light assets model and increase its development capabilities to gain more opportunities for future expansion.

APPRECIATION

On behalf of the Board, I would like to extend my 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. We could not have enjoyed our continued stable growth without their unreserved support.

LI Ming
Chairman

Hong Kong, 30 August 2023

MANAGEMENT DISCUSSION & ANALYSIS



Fantastic Time (Jinan)

FINANCIAL REVIEW

Revenue

The components of the unaudited revenue for six months ended 30 June are analyzed as follows:

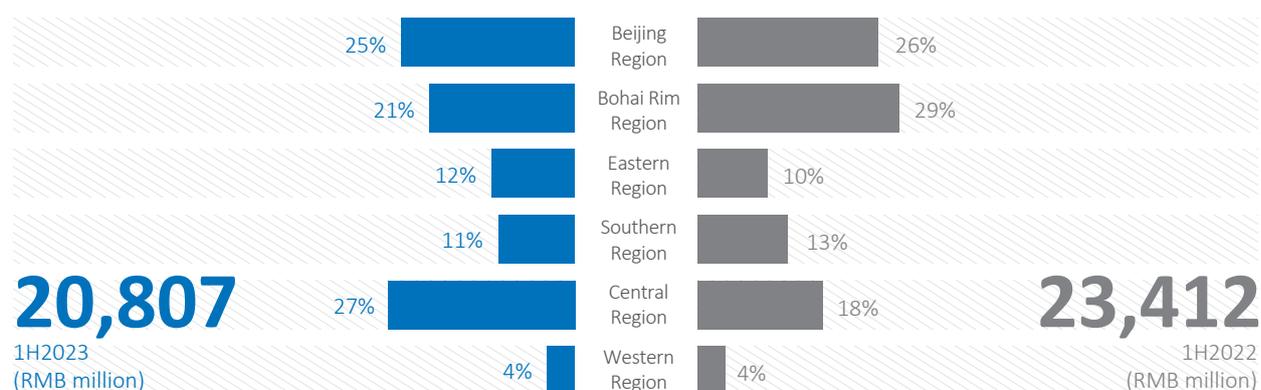
(RMB million)	2023	2022	Changes
 Property development	17,318	18,495	-6%
 Property investment	197	210	-6%
 Property management and related services	1,440	1,390	4%
 Other real estate related businesses	1,852	3,317	-44%
 Total	20,807	23,412	-11%

The revenue of the Group in the first half of 2023 was RMB20,807 million, representing a 11% decrease as compared to RMB23,412 million in the first half of 2022. The property development segment remained the largest contributor, which accounted for approximately 83% of the Group's total revenue. During the first half of 2023, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 11%, 25%, 14%, 13%, 33% and 4%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focused of our future development plan.

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

Due to the downturn trend of the overall real estate market in the PRC, the revenue of other real estate related businesses (including whole-industrial chain construction services, internet data center and senior living services and etc.) recorded a relatively larger decrease during the first half of 2023.

Revenue contributions by geographical locations for the first half of 2022 and 2023 are analyzed below:



Cost of sales

The Group's total cost of sales for the period was RMB20,931 million (first half of 2022: RMB19,102 million).

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

Excluding car parks, average land cost per sq.m. of property development business during the period increased to approximately RMB8,500, compared to approximately RMB5,300 in the first half of 2022; and average construction cost per sq.m. (excluding car parks) for property development business increased to approximately RMB5,700 for the first half of 2023, compared to approximately RMB4,900 in the first half of 2022. The increase in average land cost and construction cost was mainly because more mid-to-high end projects in tier-one and core tier-two were delivered during the period.

Gross loss

Gross loss for the period was RMB125 million (first half of 2022: gross profit of RMB4,311 million). Gross loss margin was approximately 1% (first half of 2022: gross profit margin of 18%). Gross loss for the period was mainly because of the downturn in the overall real estate market sentiment in the PRC for the first half of 2023, (i) the decrease in the revenue and gross profit margin of the Group; and (ii) the increase in the provision made by the Group for inventories.

Interest and other income and other losses (net)

Interest and other income for the six months ended 30 June 2023 decreased by 51% to RMB477 million (first half of 2022: RMB968 million). Such decrease was mainly due to the decrease in the interest income and dividend income during the period.

The Group recorded other losses (net) of RMB1,194 million for the period (first half of 2022: other losses (net) of RMB1,115 million). Other losses (net) for the first half of 2023 mainly comprised of provision made for litigation, fair value losses of financial assets and liabilities at fair value through profit or loss and exchange losses. The other losses (net) for the period were primarily due to the downturn and operational difficulties in the real estate market in the PRC and ongoing depreciation of RMB against USD.

Revaluation of investment properties

The Group recognized fair value gains on its investment properties (before tax and non-controlling interests) of RMB150 million for the first half of 2023 (first half of 2022: fair value losses of RMB74 million).

Operating expenses

Selling and marketing expenses for the first half of 2023 was RMB572 million (first half of 2022: RMB533 million). The increase for the period was mainly because of the downturn in the overall real estate market in the PRC, more sales promotions were launched by the Group to improve the sales. These costs accounted for approximately 1.6% of the total contracted sales amount for the first half of 2023 (first half of 2022: 1.2%).

Administrative expenses for the first half of 2023 increased to RMB816 million (first half of 2022: RMB648 million), representing approximately 3.9% of the total revenue for the first half of 2023 (first half of 2022: 2.8%). The increase was mainly because of the slower selling pace of the overall real estate market in the PRC, resulted in part of administrative expenses were not capitalized and charged to condensed consolidated interim statement of profit or loss. We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and low level.

Net impairment losses on financial assets

For the first half of 2023, the Group recorded the net impairment losses¹ on financial assets of RMB11,294 million (first half of 2022: RMB50 million). The increase in such losses was mainly due to the provision made by the Group for the expected credit losses on the trade and other receivables and etc., considering the combined adverse effects of sluggish macroeconomic and industry environments, tough financing channels during the period.

Note 1: The net impairment losses on financial assets was included in the amount of administrative expenses in the interim report of 2022. For provision of more detailed financial information, the losses is disclosed separately in this interim report.

Finance costs

Our weighted average interest rate increased from 5.07% for the first half of 2022 to 5.78% for the first half of 2023. During the first half of 2023, the total interest expenses paid or accrued for the period increased to RMB2,747 million (first half of 2022: RMB2,431 million), of which RMB1,881 million (first half of 2022: RMB1,345 million) was not capitalized and charged to condensed consolidated interim statement of profit or loss.

Taxation

The aggregate of enterprise income tax and deferred income tax decreased to RMB304 million for the first half of 2023 (first half of 2022: RMB1,016 million). The decrease was mainly attributed to the combined effects of the decrease in revenue and gross profit during the first half of 2023. In addition, land appreciation tax for the first half of 2023 decreased to RMB89 million (first half of 2022: RMB629 million). The decrease was mainly due to lower applicable tax rate during the period.

Loss attributable to owners of the Company

The loss attributable to owners of the Company was RMB18,369 million for the first half of 2023 (first half of 2022: loss of RMB1,087 million). The loss recorded for the reporting period was mainly attributed to (i) the downturn in the overall real estate market in the PRC, resulting in the decrease in revenue and gross profit margin, and the increase in the provision for impairment of property projects; and (ii) the decrease in the share of results from joint ventures and associates, for the reporting period. Our management will continue to focus on the improvement of our Shareholders' return as their on-going tasks.

Financial resources and liquidity

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

(RMB million)	As at 30 June 2023	As a percentage of total borrowings	As at 31 December 2022	As a percentage of total borrowings
Within 1 year	44,616	49%	38,092	39%
1 to 2 years	19,834	21%	21,062	22%
2 to 5 years	18,863	21%	30,061	31%
Over 5 years	8,603	9%	7,808	8%
Total	91,916	100%	97,023	100%

During the first half of 2023, the Group continued to refine its funding structure, treasury and credit policies and objectives to strengthen the financial control and minimize its risk exposure under the ever changing financial market and global economic environment. We are committed to managing the borrowings at an appropriate level. The Group's borrowings decreased from RMB97,023 million as at 31 December 2022 to RMB91,916 million as at 30 June 2023. Approximately 57% of the Group's total borrowings were denominated in RMB and the remaining were denominated in other currencies, such as HKD and USD. Approximately 67% of the Group's borrowings were made at fixed interest rate.

As at 30 June 2023, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB7,650 million, of which approximately 99.7% (31 December 2022: 98.9%) of the Group's cash resources were denominated in RMB with the remaining balances mainly denominated in USD and HKD. The current ratio was 1.15 times. During the first half of 2023, the Group was taking the initiative in mitigating liquidity risks, and revitalizing operating cash flow, so as to secure the steady business operation.

As at 30 June 2023, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 326% (31 December 2022: 183%). The increase in net gearing ratio was a result of combined impact from multiple extreme factors including continuous real estate market downturn, noticeable decline in overall sales and a very harsh financing environment in the first half of the year in the PRC. In addition, the profitability of the overall industry was being eroded and cash collection process remained slow. All these pushed up the net gearing ratio. Even facing the sharp deterioration of the overall financing environment in the PRC real estate market, thanks to the strong supports from our major Shareholder and other stakeholders, the Group maintained the operational soundness. In the second half of 2023, following more stimulus policies in the real estate market are expected to release, we would continue to proactively manage the indebtedness and focus on ensuring the delivery of property projects and lowering the net gearing ratio.

Other investments

As of 30 June 2023, the Group has a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds, financial derivatives for hedging purposes, equity financial investments in real estate area.

The results of the above investments have been properly reflected in the unaudited interim financial information for the six months ended 30 June 2023.

Guarantees in respect of mortgage facilities for certain purchasers and charge on assets

As at 30 June 2023, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB25,234 million (31 December 2022: RMB20,677 million).

During the first half of 2023, the Group had pledged certain of its property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, equity interests in certain subsidiaries of the Group, etc. to secure short-term borrowings (including the current portion of long-term borrowings) of RMB13,591 million (31 December 2022: RMB10,370 million) and long-term borrowings of RMB13,128 million (31 December 2022: RMB15,275 million). As at 30 June 2023, total pledged assets accounted for approximately 18% of the total assets of the Group (31 December 2022: 17%).

Capital commitments

The Group entered into certain agreements in respect of properties under development, property projects and investment in a joint venture. As at 30 June 2023, the Group had a total capital commitment of RMB18,301 million (31 December 2022: RMB18,289 million).

Contingent liabilities

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 2023, the total amount of the aforesaid guarantees provided by the Group was RMB25,234 million (31 December 2022: RMB20,677 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon completion of the mortgage registration and were secured by the buyers' properties.

As at 30 June 2023, the Group provided guarantees in the amount of RMB37,254 million for borrowings of joint ventures and third party (31 December 2022: RMB5,523 million).



Ocean Prospect (Guangzhou)

Material acquisitions and disposals of subsidiaries, associates and joint ventures

- Acquisition of the entire equity interests in a property development company in the PRC

On 8 February 2023, following completion of the bidding process through the Shandong Property Right Exchange Center (山東產權交易中心), Beijing Yuanshengchang Real Estate Development Co., Ltd.* (北京遠盛昌房地產開發有限公司) (“Beijing Yuanshengchang”, a wholly-owned subsidiary of the Company) as purchaser, entered into a property right transaction agreement with Shandong Detian Real Estate Co., Ltd.* (山東德天置業有限公司) (“Shandong Detian”) as seller in relation to the acquisition by Beijing Yuanshengchang from Shandong Detian of (a) the entire equity interests in Shandong Detian Jiaye Real Estate Co., Ltd.* (山東德天嘉業置業有限公司) (“Shandong Detian Jiaye”) and (b) a loan owing by Shandong Detian Jiaye to Shandong Detian (inclusive of interest) (in the amount of RMB1,584,414,200) at an aggregate consideration of RMB1,584,414,201. The principal business of Shandong Detian Jiaye is property development and its principal asset is four parcels of land situated at the Beihu Core Area, Jinan City, Shandong Province, the PRC with a total land area of 137,504 sq.m. and a total gross floor area of approximately 534,600 sq.m. for residential and commercial purposes.

Upon completion of the aforementioned transaction, Shandong Detian Jiaye shall become a wholly-owned subsidiary of the Company, with its financial results being consolidated into the financial statements of the Group. As of 30 June 2023, the aforementioned transaction had been completed.

Details of the above transaction have been disclosed in the announcement of the Company dated 8 February 2023.

- Sale and leaseback arrangements

During the period from January to March 2023, Beijing UNIQloud Technology Co., Ltd.* (北京雲泰數通互聯網科技有限公司), a non wholly-owned subsidiary of the Company, and certain wholly-owned subsidiaries or entity controlled by it, as lessees, entered into sale and leaseback agreements in respect of certain leased assets (mainly comprising ancillary equipment and facilities for data center) with Chengtong Financial Leasing Company Limited* (誠通融資租賃有限公司) and CGN International Financial Leasing (Tianjin) Co., Ltd.* (中廣核國際融資租賃(天津)有限公司), respectively, each as lessor, pursuant to which the relevant lessor will purchase the respective leased assets from the relevant lessee(s) for a maximum aggregate purchase price of RMB475 million and RMB375 million, respectively, and such leased assets will be leased back to the relevant lessee(s) for maximum aggregate lease payments of approximately RMB535.08 million and RMB431.81 million, respectively, each with a term of five years and six years, respectively, subject to early termination in accordance with the terms and conditions of the respective sale and lease agreement(s). Upon the relevant lessee(s) having paid all the lease payments and other payables (if any) to the relevant lessor in accordance with the terms of the respective sale and leaseback agreement(s), the relevant lessee(s) shall have the right to repurchase the respective leased assets at a nominal consideration. According to the Hong Kong Financial Reporting Standards, the transactions as contemplated under the aforementioned sale and leaseback agreements shall be accounted for as financing arrangements. As of 30 June 2023, the aforementioned arrangements had been completed.

Details of the above sale and leaseback arrangements have been disclosed in the announcements of the Company dated 27 February 2023 and 10 March 2023, respectively.

- **Transactions in relation to a property project in the PRC**

On 29 May 2023, SOG China, Zhongyuan Hotel Property Management Co., Ltd.* (中遠酒店物業管理有限公司) (“PM Co”, a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of the Company) and Beijing Easyhome Furniture Franchise Co., Ltd. (北京居然之家家居連鎖有限公司) (“Easyhome”) entered into a cooperation agreement in respect of, among others, (1) the assignment of the right of first refusal with respect to all or part of the equity and debt interests in Beijing Rui Hong Commercial Management Co., Ltd.* (北京睿鴻商業管理有限公司) (the “Project Company”, being the owner of a shopping centre located in Beijing, the PRC known as Ocean We-Life Plaza (Beijing)* (遠洋未來廣場(北京)) (the “Property”)) by SOG China to Easyhome (the “ROFR Assignment”) whereby SOG China shall designate Easyhome as the entity exercising such right of first refusal to purchase the entire equity and debt interests in Project Company from GSUM Real Estate Fund Management Co., Ltd.* (中聯前源不動產基金管理有限公司) (on behalf of GSUM-Sino-Ocean Group No.1 Private Investment Fund* (中聯前源 — 遠洋集團一號私募投資基金), in which all the units are held by an asset-backed special scheme, and associates of the Company are holders of the subordinated class securities issued under the scheme) (the “Project Company Sale and Purchase”); (2) the disposal of 53 parking spaces located at the Property by PM Co to Easyhome (through disposal to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase) (the “Parking Spaces Disposal”); and (3) the transfer of the right of use in the civil air defence works and their ancillary facilities with respect to the Property by Beijing Chaoyang Branch of Sino-Ocean Holding Group (China) Limited* (遠洋控股集團(中國)有限公司北京朝陽分公司), a branch office company of SOG China, to Easyhome (through transfer to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase) (the “Civil Air Defence Works Transfer”). The aggregate consideration for the above transactions is RMB359,170,615.68 (subject to completion adjustment of an amount not more than RMB20,000,000), of which RMB348,835,615.68 (subject to completion adjustment of an amount not more than RMB20,000,000) is the consideration for the ROFR Assignment and RMB10,335,000 is the consideration for the Parking Spaces Disposal. No separate consideration has been designated to the Civil Air Defence Works Transfer.

The Project Company is principally engaged in investment holding and is the owner of the Property. As at the date of the abovementioned cooperation agreement, the Project Company was accounted for as a joint venture of the Company in the consolidated financial statements of the Group. Upon completion of the ROFR Assignment and the Project Company Sale and Purchase, the Group shall cease to have any interest in the Project Company, and the Project Company shall cease to be accounted for as a joint venture of the Company in the consolidated financial statements of the Group. As of 30 June 2023, the aforementioned transactions had been completed.

Details of the above transactions have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 29 May 2023.

- **Completion of disposal of interests in property holding companies and property management company**

As of 22 February 2023, all of the disposals by the Group of (1) an aggregate of 50% issued shares of in Great City China Holdings Limited (乾林中國控股有限公司), (2) an aggregate of 50% equity interest in Chengdu Yingang Real Estate Company Limited* (成都銀港置業有限公司), and (3) an aggregate of 50% equity interest in Chengdu Qianhao Property Services Company Limited* (成都乾豪物業服務有限公司) to subsidiaries of Swire Properties Limited (太古地產有限公司) had been completed, following which the Group had ceased to have any interest in such target companies.

Details of the above transactions have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 15 December 2022, the circular of the Company dated 19 January 2023, the announcement of the Company dated 22 February 2023 and the paragraphs headed “Material acquisitions and disposals of subsidiaries, associates and joint ventures” under the sub-section headed “FINANCIAL REVIEW” in the section headed “Management Discussion & Analysis” of the 2022 annual report of the Company.

BUSINESS REVIEW

Property development

Recognized sales

The Group's revenue from property development segment decreased by approximately 6% in the first half of 2023 to RMB17,318 million as compared to RMB18,495 million for the corresponding period in 2022. Saleable GFA delivered decreased by approximately 15% from 1,446,000 sq.m. for the first half of 2022 to 1,223,000 sq.m. for the first half of 2023. Excluding car park sales, the average selling price recognized for the first half of 2023 increased to approximately RMB15,900 per sq.m. (first half of 2022: RMB14,700 per sq.m.). The increase was mainly due to more mid-to-high end projects in tier-one and core tier-two cities being delivered during the first half of 2023.

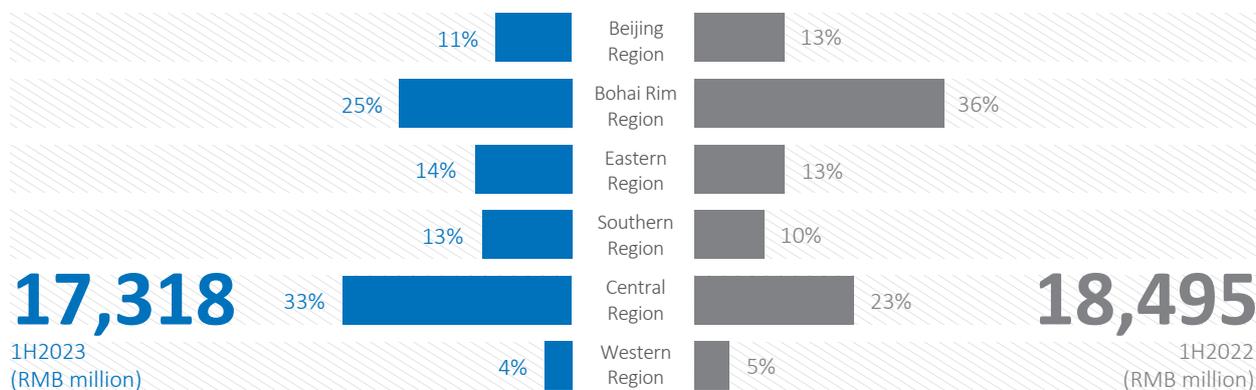
Revenue and saleable GFA delivered by cities during the first half of 2023 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	110	5,218	21,100
	Taiyuan	1,570	156,394	10,000
	Qinhuangdao	85	5,897	14,400
	Langfang	91	5,320	17,100
		1,856	172,829	10,700
Bohai Rim Region	Tianjin	1,423	79,300	17,900
	Qingdao	317	36,994	8,600
	Jinan	1,412	99,074	14,300
	Dalian	825	40,047	20,600
		3,977	255,415	15,600
Eastern Region	Shanghai	35	1,012	34,600
	Hangzhou	1,217	34,526	35,200
	Nanjing	182	9,027	20,200
	Suzhou	49	5,019	9,800
	Wenzhou	138	9,328	14,800
	Yangzhou	631	45,659	13,800
		2,252	104,571	21,500
Southern Region	Shenzhen	395	5,297	74,600
	Guangzhou	602	32,766	18,400
	Zhangzhou	57	3,529	16,200
	Maoming	104	21,806	4,800
	Jiangmen	554	54,087	10,200

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
	Zhongshan	25	4,066	6,100
	Zhanjiang	112	13,099	8,600
	Hong Kong	323	1,377	234,600
		2,172	136,027	16,000
Central Region	Wuhan	5,232	247,189	21,200
	Zhengzhou	85	10,071	8,400
	Nanchang	54	5,631	9,600
	Ganzhou	306	37,110	8,200
		5,677	300,001	18,900
Western Region	Chongqing	346	20,956	16,500
	Xi'an	44	3,658	12,000
	Guiyang	371	45,775	8,100
	Xining	3	207	14,500
		764	70,596	10,800
	Other projects	259	25,996	10,000
Subtotal (excluding carparks)		16,957	1,065,435	15,900
Carparks (various projects)		361	157,835	2,300
Total		17,318	1,223,270	14,200

During the first half of 2023, the Group developed a balanced mix of contribution from the six regions on its revenue from property development business.

Revenue from property development by geographical locations for the first half of 2022 and 2023 are analyzed below:



Contracted sales

Due to the impact caused by the downturn trend 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 2023 amounted to RMB35,660 million, representing an approximately 17% decrease as compared to RMB43,010 million from the corresponding period in 2022. GFA sold for the first half of 2023 increased by approximately 8% to 2,760,900 sq.m. (first half of 2022: 2,555,000 sq.m.). Excluding car park sales, the average selling price decreased by approximately 19% to RMB14,700 per sq.m. (first half of 2022: RMB18,200 per sq.m.). The decrease in average selling price was primarily because (i) the recovery of the real estate market in the PRC was against expectation and the overall selling price decreased; (ii) the decrease in the number of the Group's new pre-sale projects located in tier-one cities, which were in higher selling price; and (iii) more sales promotions were launched to improve the sales and funding revitalisation during the first half of 2023.

There were over 180 projects available for sale during the first half of 2023 (first half of 2022: 210 projects). In terms of distribution, contracted sales from tier-one and tier-two cities accounted for over 85%.

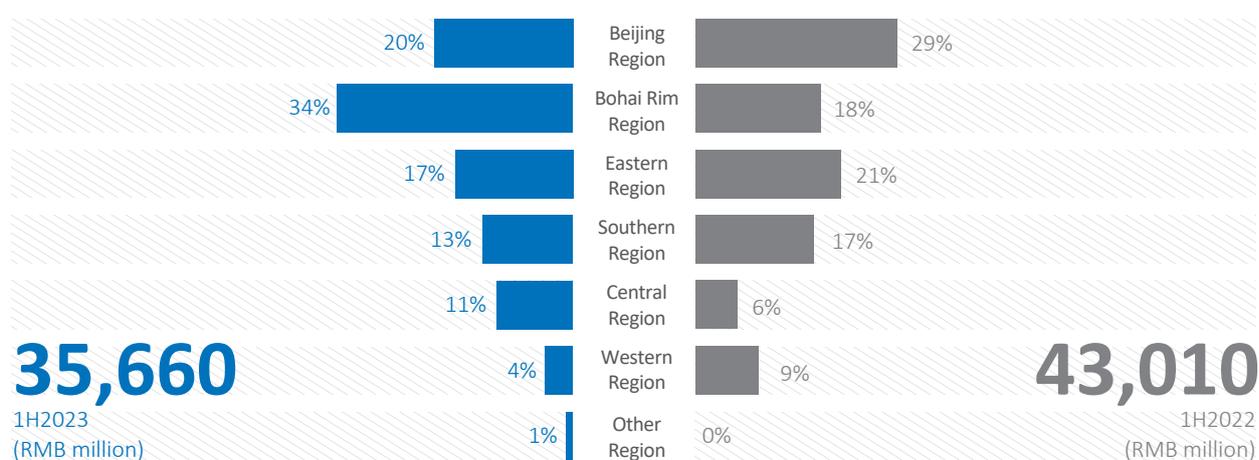
The contracted sales amounts and saleable GFA sold by cities during the first half of 2023 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	4,223	164,000	25,800
	Shijiazhuang	551	46,600	11,800
	Taiyuan	314	38,200	8,200
	Qinhuangdao	644	42,200	15,300
	Langfang	961	66,500	14,500
	Zhangjiakou	4	1,000	4,000
	Jinzhong	318	41,400	7,700
		7,015	399,900	17,500
Bohai Rim Region	Tianjin	5,013	307,700	16,300
	Qingdao	1,036	41,600	24,900
	Jinan	5,022	465,700	10,800
	Dalian	249	24,900	10,000
	Shenyang	237	26,400	9,000
	Changchun	50	6,500	7,700
		11,607	872,800	13,300

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Eastern Region	Shanghai	812	29,000	28,000
	Nanjing	175	8,800	19,900
	Suzhou	276	22,300	12,400
	Wuxi	1,146	58,400	19,600
	Wenzhou	1,754	97,500	18,000
	Yangzhou	125	9,700	12,900
	Jinhua	80	6,800	11,800
	Zhenjiang	274	28,600	9,600
	Suqian	358	35,700	10,000
		5,000	296,800	16,800
Southern Region	Shenzhen	1,053	40,300	26,100
	Guangzhou	638	33,300	19,200
	Fuzhou	365	19,100	19,100
	Foshan	459	43,000	10,700
	Quanzhou	5	300	16,700
	Xiamen	477	20,700	23,000
	Maoming	61	12,400	4,900
	Jiangmen	322	32,100	10,000
	Zhongshan	848	72,500	11,700
	Zhanjiang	292	40,200	7,300
			4,520	313,900
Central Region	Wuhan	2,063	75,800	27,200
	Zhengzhou	253	24,800	10,200
	Hefei	146	11,200	13,000
	Changsha	648	64,800	10,000
	Nanchang	395	39,400	10,000
	Ganzhou	267	34,400	7,800
		3,772	250,400	15,100

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Western Region	Chengdu	309	26,500	11,700
	Chongqing	45	3,900	11,500
	Xi'an	358	31,700	11,300
	Kunming	16	3,400	4,700
	Guiyang	161	13,600	11,800
	Urumqi	13	1,700	7,600
	Lanzhou	12	2,300	5,200
	Liuzhou	4	500	8,000
	Xining	82	6,900	11,900
	Xishuangbanna	296	42,300	7,000
		1,296	132,800	9,800
Other Region	Singapore	456	2,700	168,900
	Jakarta	73	5,200	14,000
		529	7,900	67,000
	Other projects	565	55,900	10,100
Subtotal (excluding carparks)		34,304	2,330,400	14,700
Carparks (various projects)		1,356	430,500	3,100
Total		35,660	2,760,900	12,900

Contracted sales amounts by geographical locations for the first half of 2022 and 2023 are analyzed below:



Landbank and construction progress

The Group's total GFA and total saleable GFA (including its joint ventures and associates) completed in the first half of 2023 were approximately 2,827,000 sq.m. and 2,248,000 sq.m. respectively, decreased by 7% and increased by 17% respectively as compared to the corresponding period in 2022 and approximately 33% of this year's construction target was achieved in the first half of 2023. We will maintain our construction target of 2023 in order to have sufficient GFA available for sale and delivery to achieve our target in 2023 and support our growth in 2024.

As at 30 June 2023, the landbank of the Group (including its joint ventures and associates) decreased to 40,951,000 sq.m. (as at 31 December 2022: 42,981,000 sq.m.); and landbank with attributable interest decreased to 21,541,000 sq.m. (as at 31 December 2022: 22,603,000 sq.m.) accordingly. During the first half of 2023, we together with our joint ventures and associates acquired 2 plots of land, of which the total GFA and attributable interest GFA were approximately 858,000 sq.m. and 700,000 sq.m., respectively. All the new acquired land plots are for residential development, and the average acquisition cost per sq.m. was approximately RMB3,600. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2023 was approximately RMB6,700 (as at 31 December 2022: RMB7,100).

Details of the newly acquired land plots during the first half of 2023 are set out as follows:

Cities	Projects	Approximate total GFA acquired ('000 sq.m.)	Approximate GFA attributable to the Group ('000 sq.m.)	Interest attributable to the Group (%)
Landbank				
Jinan	Fantastic Time	535	535	100.00%
Shenzhen	Shanxia Project	323	165	51.00%
Total		858	700	

The landbank by stages of development as at 30 June 2023 are set out as follows:

	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)
Completed properties held for sales	27,189	19,445	4,894
Properties under development	29,306	21,101	29,306
Properties held for future development	6,751	4,726	6,751
Total	63,246	45,272	40,951

The landbank details of the Group and its joint ventures and associates as at 30 June 2023 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	Anzhen Project	Chaoyang District, Beijing	46	–	46	14.70%		
		Captain House	Fengtai District, Beijing	131	100	131	51.00%		
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%		
		Central Peak	Changping District, Beijing	256	193	251	50.00%		
		Gold Mansion	Daxing District, Beijing	118	99	80	25.00%		
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	89	40.00%		
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%		
		Jasper Epoch	Daxing District, Beijing	92	78	12	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	44	85.72%		
		Ocean Metropolis	Mentougou District, Beijing	330	276	77	56.88%		
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	249	31.00%		
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	129	21.00%		
		Our New World	Fangshan District, Beijing	109	91	14	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	46	51.00%		
		World View	Chaoyang District, Beijing	71	52	71	25.00%		
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	30	50.00%		
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	103	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	3,129	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Shijiazhuang	Ande Memorial Park	Jingxing County, Shijiazhuang	18	3	18	88.89%
		Family Park	Chang'an District, Shijiazhuang	132	108	14	35.70%
		Family Park, Phase II	Chang'an District, Shijiazhuang	84	66	84	35.70%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	41	38.35%
		Ocean Home Park	Gaocheng District, Shijiazhuang	48	43	48	40.00%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang'an District, Shijiazhuang	228	171	18	51.00%
				831	634	392	
	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	119	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	313	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	19.56%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				2,228	1,339	1,922	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,112	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	25	52.15%
		Jingkai Logistics Project	Jingkai District, Langfang	151	–	151	19.29%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,385	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	64.30%
		Plot II, Guangyang Logistics Project	Guangyang District, Langfang	144	–	144	19.29%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	24.50%
				2,710	1,246	1,819	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	35	60.00%
	Tangshan	Ocean Landscape	High-tech Zone, Tangshan	170	137	170	100.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,349	30.85%
				14,800	10,372	9,928	

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 (%)
Bohai Rim Region	Tianjin	Boda Logistics Project	Wuqing District, Tianjin	285	–	285	64.30%
		Capital Palace	Jizhou District, Tianjin	346	213	193	52.15%
		Happy Light Year	Wuqing District, Tianjin	504	317	321	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,102	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	151	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	164	100.00%
		Sino-Ocean Brilliant Courtyard	Binhai New Area, Tianjin	675	488	100	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	8	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	253	52.15%
		Southend Airport Logistics Project	Dongli District, Tianjin	69	–	69	64.30%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	4	60.00%
		UPED	Binhai New Area, Tianjin	653	445	653	51.00%
		Westend Airport Logistics Project	Dongli District, Tianjin	52	–	52	64.30%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
						7,408	5,252
Qingdao		Ocean Glory	Shibei District, Qingdao	102	76	102	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	23	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	64	100.00%
				592	432	189	
Jinan		Fantastic Time	Tianqiao District, Jinan	535	435	535	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	555	60.00%
		Minghu Prospect	Tianqiao District, Jinan	97	83	97	60.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	66.50%
		Ocean Epoch	Lixia District, Jinan	390	371	153	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	112	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	521	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	226	58.82%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	64	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	303	30.66%
				3,640	2,996	2,663	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	658	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	13	51.00%
		Ocean Orient	Jinpu New Area, Dalian	116	113	116	70.00%
		Ocean Tower River Bay	Lvshunkou District, Dalian	234	200	234	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				2,147	1,860	1,132	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	400	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	47	100.00%
				447	345	447	
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	326	52.15%
	Harbin	Venice Manor	Songbei District, Harbin	181	152	8	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				15,091	11,586	9,431	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	151	52.15%
		Hongqiao Origin	Qingpu District, Shanghai	75	53	75	100.00%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Lingang Sky Masion	Pudong New Area, Shanghai	172	108	172	52.15%
		Moon Mirage	Chongming District, Shanghai	1,072	672	672	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	23.94%
				1,711	993	1,206	
	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	
	Nanjing	Ocean Seasons	Lishui District, Nanjing	234	184	27	100.00%
		The One	Jiangning District, Nanjing	213	153	12	100.00%
				447	337	39	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	51	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	77	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City, Suzhou	108	77	108	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	262	34.68%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
		Zhangjiagang Internet Data Center	Zhangjiagang City, Suzhou	24	–	24	75.01%
				938	710	599	
	Ningbo	Yuyao Supply Chain Industrial Park	Yuyao City, Ningbo	56	–	56	28.19%
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	121	15.00%
		One Residence	Xinwu District, Wuxi	211	154	211	10.00%
		Sky Masion	Huishan District, Wuxi	223	172	8	31.29%
				630	483	340	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	85	52.15%
				705	374	282	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Binhai Sky Masion	Longwan District, Wenzhou	488	306	2	100.00%
		Center Mansion (formerly known as Plot ZX-14a-1, Central District, Leqing)	Leqing City, Wenzhou	40	30	40	100.00%
		Center Mansion (formerly known as Shan Hai One)	Leqing City, Wenzhou	123	100	123	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	85	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	13	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	276	35.74%
				1,181	736	621	

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 (%)
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				548	348	548	
	Jiaying	Pinghu Logistics Project	Pinghu City, Jiaying	72	–	72	23.41%
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	171	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	539	50.00%
	Huai'an	International Plaza	Qingjiangpu District, Huai'an	319	264	65	22.42%
	Suqian	Aegean Place	Sucheng District, Suqian	117	–	117	5.22%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	334	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	344	5.22%
				1,146	818	795	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				8,753	5,762	5,484	
Southern Region	Shenzhen	Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	110	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	92	100.00%
		Ocean Glitter	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	60.00%
		Peace Palace	Longhua District, Shenzhen	278	201	278	63.01%
		Shanxia Project	Longgang District, Shenzhen	323	303	323	51.00%
				2,190	1,553	1,688	
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	8	40.00%
		Elite Palace	Tianhe District, Guangzhou	310	279	41	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	73	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	76	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	88	100.00%
				839	606	286	

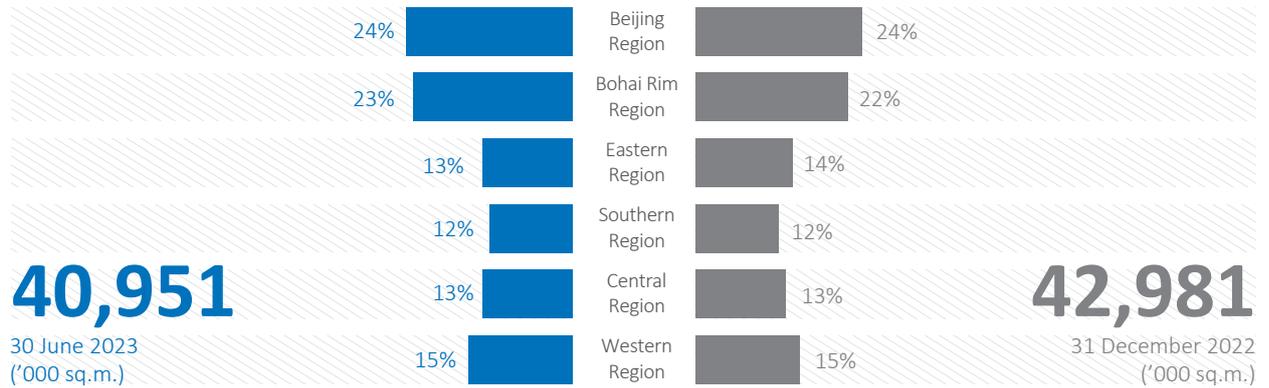
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	128	63.01%
	Foshan	Delight River	Sanshui District, Foshan	207	192	46	100.00%
		Landscape	Shunde District, Foshan	80	63	80	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	140	50.00%
				427	362	266	
	Quanzhou	Ocean Prospect	Luojiang District, Quanzhou	51	35	51	42.00%
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	199	51.00%
	Zhangzhou	Sea and Star	Longwen District, Zhangzhou	266	210	127	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	168	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	95	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	116	100.00%
				307	234	211	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	920	75.00%
		Natural Mansion	Xiaolan Town, Zhongshan	76	62	76	51.00%
		Ocean Palace	Southern District, Zhongshan	181	134	181	69.80%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	7	51.00%
				1,639	1,392	1,184	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	337	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	75	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
		Nga Tsin Long Road Project, Kowloon City	Kowloon City District, Hong Kong	6	5	6	60.00%
		Uptify	Yau Tsim Mong District, Hong Kong	3	3	2	100.00%
				12	11	11	
				7,146	5,497	4,731	

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 (%)
Central Region	Wuhan	Aegean Place	Xinzhou District, Wuhan	62	–	62	52.15%
		Citylane	Hanyang District, Wuhan	450	–	450	70.00%
		Dongxihu Xingou Logistics Project	Dongxihu District, Wuhan	112	–	112	64.30%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	12.50%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	476	70.00%
		Oriental Worldview II	Hanyang District, Wuhan	322	229	322	7.75%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	178	70.00%
			3,130	1,739	1,689		
Zhengzhou		Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	135	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	17.84%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	33	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	17.84%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
			1,237	965	858		
Hefei		Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Glory	Feidong County, Hefei	197	186	35	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	33	70.00%
		West Furong Road Plot, Jingkai District	Jingkai District, Hefei	455	279	455	30.00%
			1,022	728	693		
Changsha		Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	638	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
			1,429	1,000	1,189		
Nanchang		Aegean Place	Wanli District, Nanchang	124	–	124	52.15%
		Cloud View	Jingkai District, Nanchang	81	61	81	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	20	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	36	52.15%
			553	346	261		
Ganzhou		Sky Masion	Nankang District, Ganzhou	888	705	453	53.59%
			8,259	5,483	5,143		

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 (%)
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	199	100.00%
		Ocean Luxury City	Qinyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	36.51%
		Qingbaijiang Internet Data Center, Zone C	Qingbaijiang District, Chengdu	38	–	38	49.00%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	24.50%
				606	233	495	
Chongqing	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	20	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	3	24.50%
		Liangjiang New Town Internet Data Center	Liangjiang New Area, Chongqing	40	–	40	49.00%
		Life In Art Dist	Jiulongpo District, Chongqing	52	37	23	34.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	119	17	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	37	56.10%
				1,130	839	140	
Xi'an	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	558	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	223	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				1,884	1,363	1,709	
Kunming	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	87	69.80%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	69.80%
				321	306	186	
Guiyang	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	112	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	14	100.00%
		Sky Masion	Guanshanhu District, Guiyang	780	565	780	26.60%
		Sky Masion, Retail	Guanshanhu District, Guiyang	89	–	89	26.60%
				1,134	775	995	

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 (%)
	Urumqi	Natural Century	Saybag District, Urumqi	74	63	74	26.60%
		Royal Mansion	Saybag District, Urumqi	402	293	402	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
		Sky Palace	Saybag District, Urumqi	85	68	85	52.15%
				709	535	709	
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	265	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	112	76.55%
				442	251	197	
	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	663	41.72%
		Sky Palace	Chengxi District, Xining	311	254	118	76.55%
				1,710	1,272	902	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	287	26.07%
				9,127	6,511	6,164	
Other Region	Singapore	Cairnhill 16	Area 9, Singapore	4	4	4	30.00%
	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				70	61	70	
Total				63,246	45,272	40,951	

The landbank by geographical locations as at 30 June 2023 and 31 December 2022 are analyzed below:



Property investment

During the first half of 2023, affected by the downturn in the property leasing market in the PRC, revenue from property investment decreased by approximately 6% to RMB197 million (first half of 2022: RMB210 million). As at 30 June 2023, the Group (including its joint ventures and associates) held more than 21 operating investment properties. Our investment properties are mainly prime A-grade office premises, shopping malls, commercial complex and logistics projects at good locations. Besides, the commercial part of Grand Canal Place in Beijing was launched in June 2023. The total leasable area amounted to approximately 3,645,000 sq.m. as at 30 June 2023 with office developments about 20%, logistics projects about 51%, and others including commercial complexes, car parks and others about 29%. 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 2023 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	–	–	–	76%	100%
Ocean Incom (Beijing)	Shunyi District, Beijing	45,000	32,000	2,000	–	11,000	66%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	86%	100%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	95%	72%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	84%	100%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	98%	100%
Other projects		88,000	–	55,000	–	33,000		
Subtotal		338,000	206,000	66,000	–	66,000		
Other								
Grand Canal Place (Beijing)	Tongzhou District, Beijing	51,000	–	51,000	–	–	75%	75%
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	96%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	89%	35%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	108,000	81,000	12,000	–	15,000	82%	29%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	41,000	–	41,000	–	–	83%	52%
Hedong Aegean Place (Tianjin)	Hedong District, Tianjin	94,000	–	94,000	–	–	88%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	86%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	89%	64%
Aegean Place (Jinan)	Shanghe County, Jinan	35,000	–	35,000	–	–	76%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	78%	24%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	74%	37%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	64,000	46,000	4,000	–	14,000	79%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	132,000	–	81,000	–	51,000	97%	60%
Aegean Place (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	87%	26%
Aegean Place (Fuzhou)	Cangshan District, Fuzhou	92,000	–	92,000	–	–	97%	31%
Other projects		2,250,000	225,000	114,000	1,846,000	65,000		
Subtotal		3,307,000	516,000	704,000	1,846,000	241,000		
Total		3,645,000	722,000	770,000	1,846,000	307,000		

Investment properties in progress

The Group has built a sound foundation for office complex operation and management since the development of investment property development and operation. The Group has cultivated strengths in commercial and logistics project positioning, planning and design, development and construction, attracting investment and project operation. To date, the Group has several commercial property projects in progress across China, including grade A offices, high-end shopping centers, five-star hotels and high quality logistics projects.

The Group has commercial property resources pending for development and operation by stages before 2026. These include offices of Plot Z6 in Beijing CBD, INDIGO II (Beijing) and other high-end commercial complexes. It will boost a strong portfolio of cross regional and diversified products. Meanwhile, the Group has deepened the expansion in the logistics real estate and internet data center, which will provide a sound foundation for favourable investment yield and profitability level in the future.

Property management and related services

Our key subsidiary, Sino-Ocean Service (Stock Code: 06677.HK) is a comprehensive service provider for customers and cover the entire property management value chain. We always adhere to the service philosophy of “Being understanding and innovative”. Sino-Ocean Service aims to provide premium property management services that make available conveniences in daily life and foster a more valuable living environment and experience for property owners and residents.

For the six months ended 30 June 2023, the Group’s revenue from property management and related services was RMB1,440 million, an increase of 4% from RMB1,390 million for the corresponding period in 2022, maintaining high operating capacity and synergy with the principal business.

As of 30 June 2023, Sino-Ocean Service’s total contracted GFA of property management services reached 144.50 million sq.m.¹, covering 89 cities¹ across 28 provinces, autonomous regions and municipalities¹ in China; total GFA under management reached 103.50 million sq.m.¹ and 539 properties¹ were under our management, including 317 residential communities¹, 74 commercial properties¹ and 148 other properties¹.

Our property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities).

Note 1: Including for those provided to the Group and its affiliates

IMPORTANT EVENT AFTER THE PERIOD ENDED 30 JUNE 2023

Internal restructuring of assets

On 21 July 2023, SOG China and Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司) (“Ocean Homeplus”, a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of the Company) entered into a parking spaces transfer framework agreement and a commercial properties transfer framework agreement in relation to the acquisition by Ocean Homeplus and its subsidiaries from SOG China and its subsidiaries of 4,961 parking spaces and 168 commercial properties (with a total GFA of approximately 12,901 sq.m. in aggregate) in the PRC (collectively, the “Target Assets”) respectively (the “Assets Transfer”). The aggregate consideration for the Assets Transfer was RMB626,350,000, which shall be offset against the refundable deposit receivables due from the Group (for the avoidance of doubt, excluding the Sino-Ocean Service Group) to the Sino-Ocean Service Group in its entirety.

The Assets Transfer is in substance an internal restructuring of assets of the Group. Upon completion of the Assets Transfer, the financial results of the Target Assets will continue to be consolidated into the financial statements of the Group. The Assets Transfer has not been completed as at the Latest Practicable Date.

Details of the Assets Transfer have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 21 July 2023.

OTHER INFORMATION

Key risk factors and uncertainties

The following lists out the key risks and uncertainties being faced by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks pertaining to the property market and operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences.

The Group's operation is subject to a number of risk factors distinctive to property development, property investment, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations.

The Group continues to monitor the above factors and work together with those stakeholders to deliver sustainable development of economic, social and environmental values.

Risk of exposure to interest rate fluctuations and related hedging

Certain of the Group's borrowings are with floating interest rates. For the first half of 2023, the weighted average interest rate of the Group was 5.78%, which increased by 71 basis points as compared to the corresponding period in 2022. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and acquiring certain interest rate swap hedging instruments.

Risk of exposure to exchange rate fluctuations and related hedging

As at 30 June 2023, approximately 43% of the Group's total borrowings were denominated in HKD and USD. 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 and has entered into certain forward contracts so as to hedge against the potential exchange loss in future years. The Group has never engaged in the dealing of any financial derivative instruments for speculative purposes.

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

EMPLOYEES AND HUMAN RESOURCES

As at 30 June 2023, the Group had 14,778 employees (31 December 2022: 13,428 employees). The increase in the number of employees was due to the expansion of related customer services. Meanwhile, the Group continued to proactively optimize staff deployment for improving operational efficiency and resources allocation in the first half of 2023. Together with the reduction in amortization from share options granted, the Group's staff cost in the period was slightly increased by approximately 3% to RMB1,187 million (first half of 2022: RMB1,150 million). The increase in staff cost was the net effect of the reduction of staff cost in the property development segment and the expansion of related customer services.

The Group's remuneration system has been determined by reference to, including but not limited 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, and properly prioritize limited resources to outstanding employees. The Group will always keep pace with the times and provide different employee learning and training programmes to achieve the effect of attracting, motivating and retaining talented staff, so that these talented staff can ultimately bring in higher return to our Shareholders and investors.



Seaportia (Qinhuangdao)

INVESTOR RELATIONS



The Group adhere to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders. Our goals are to deepen investors' understanding and approval of the Company's strategies, to raise the quality of internal management and to maximize the Company's value.

PROMOTING COMPANY VALUE THROUGH MEANINGFUL COMMUNICATION

In 2023, the Central's policy continues to underpin the property market. It is committed to saving both property development companies and the market, and encouraging the industry to stabilize. Policy-makers are also intent on avoiding risks and protecting people's livelihood. They continue to promote guaranteed delivery and lead the property market to rehabilitate from the basics. In the first half of the year, overall investment sentiments of property development enterprises were still weak and homebuyers were holding back. Subsequent to the strong recovery of the sales side in the first quarter, the market lagged behind, leading to further differentiation of the enterprises. On the other hand, as financing policies leaned towards robust enterprises, pressure on funds for enterprises with significant debts still exists. Nevertheless, as the effects of policies are realised, the industry will grow steadily in the mid to long term.

In the first half of 2023, the Group persevered with focusing on residential development, providing service with an artisanal spirit and high-quality delivery. We worked comprehensively on cash flow and maintained financial robustness and fund security.

In light of the uncertainties of the economic environment and the ever-changing industry, the Group was agile in response and maintained continuous communication with our investor. In the first half of 2023, against the background of restricted funds, wait-and-see market sentiments and weak transaction recovery, we shared our views in a timely manner on the overall market, the impact of the policies on the industry and the Group, as well as informed investors of our various response measures and strategic planning. These active communication efforts boosted the confidence of the capital market and allayed investors' and homebuyers' concerns. At the same time, our on-line live results announcement, video-conferences and conference-calls with analysts and investors were rewarded with very positive feedback. These communication channels served to reinforce understanding and trust between the Group and the capital market. Furthermore, the Group actively kept the capital market posted on the Group's major capital events and financing situation.

Through various communication formats and channels, we were able to foster a deeper understanding of the Group's progress, business policies and strategic development among fund managers, institutional and individual investors, analysts and other interested parties. Meanwhile our management also gained better knowledge of the expectations and demands of the capital market on the Group. We will seriously consider and put into practice all constructive suggestions.

ENSURING FAIR DISCLOSURE AND MAINTAINING TRANSPARENCY

In the first half of 2023, we maintained our high standards of information disclosure to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published our monthly unaudited operating statistics on the website of Stock Exchange and investors groups to boost transparency and to ensure proper and fair access to relevant data for all parties in the capital market.

LISTENING ATTENTIVELY AND RECEPTIVELY FROM A WIDE SPECTRUM

We listened carefully to our shareholders' concerns and addressed them efficiently. In May 2023, the Group held the Annual General Meeting. As always, after each meeting management representatives reserved time for individual shareholders to voice their opinions and concerns, ensuring all parties present were given opportunity to discuss the key issues with our representatives.

We will continue with our efforts to gain more coverage and obtain more recommendations from securities firms, with the goal of promoting investors' approval, confidence and loyalty, as well as protecting their interests. We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at ir@sinooceangroup.com. We promise to provide answers to the extent permitted by applicable laws, regulations and the Listing Rules.

SUSTAINABILITY REPORT



Top Mansion (Foshan)

The Group issued “The Righteous Path towards Zero Carbon and Health – Sustainable Development Report 2022 of Sino-Ocean Group” in April 2022, the report was prepared in accordance with standards including the ESG Reporting Guide specified in Appendix 27 of the Listing Rules with reference to some indicators of the GRI Standards released by the Global Reporting Initiative (“GRI”), to illustrate the practices of Sino-Ocean Group to advance the achievement of its strategic vision of becoming the “Creator of Building Health and Social Value”.

The Group maintained its outstanding performance in sustainable development as usual. In the first half of 2023, Sino-Ocean Group outperformed 93% of peers in the real estate industry in the S&P Global Corporate Sustainability Assessment (CSA), making it the only property developer in Mainland China selected by The Sustainability Yearbook (China Edition). Morningstar Sustainalytics further lowered the risk score of Sino-Ocean Group to 14.6, Sino-Ocean Group continues to be one of the first-tier property developers in Mainland China and top 8% among the global assessed enterprises.

OPERATIONAL HEALTH FOR A SHARED FUTURE

The Group adheres to resilient operations and fine management, we ranked 17th in the 2023 Top 500 Property Developers in Comprehensive Strength.

The Group steadily advanced the implementation of its sustainable development strategy and continued to enhance its corporate governance standards. In the first half of 2023, with identification and assessment of ESG risks as its prime tasks, the Group conducted research on and began to establish its ESG management system. It conducted 2 trainings on ESG risks, raising the enterprise’s risk awareness comprehensively. The Group’s performance in sustainable development improved steadily, receiving high recognition from rating agencies in the capital market. Up to 30 June 2023, the Group obtained the best ESG rating (score) among property developers in Mainland China from MSCI an AA ESG rating, S&P Global Corporate Sustainability Assessment (CSA), Global Real Estate Sustainability Benchmark (GRESB) assessment, CDP climate change a B rating, and Morningstar Sustainalytics.

BUILDING HEALTH FOR SHAPING THE FUTURE

The Group continued to put into practice its philosophy of “Building · Health” in the year to enhance its product quality. Up to June 2023, the Sino-Ocean Healthy Building System independently developed by the Group had been applied to 145 projects in over 50 cities across China, covering an area of over 27 million sq.m. As the first enterprise to introduce the WELL Building Standard into China, Sino-Ocean Group has always maintained its professionalism, leadership and continuity in pursuing healthy buildings. Currently, 30 projects have completed the WELL registration, and 13 projects have officially obtained the final WELL certification.

An innovative initiative to consolidate Sino-Ocean’s product quality, Healthy Future Factory serves as a transparent window to showcase our carefully crafted construction process to property owners. With the successive debut of Sino-Ocean Healthy Future Factory projects including Ocean Filter (Shenzhen) and Cloud View (Nanchang) in the year, the Group had implemented 20 Healthy Future Factory projects up to 30 June 2023, delivering premium products and services while demonstrating the responsibility and value of Building · Health.

ZERO-CARBON FUTURE FOR ENVIRONMENTAL HEALTH

The Group actively promotes the Sino-Ocean “2050 Net Zero project” to support the achievement of the carbon neutrality target. As a key step in promoting corporate “Net Zero”, the Group has established a special research team on the application of low-carbon technical measures, integrating the application of low-carbon technical measures with the concept of healthy buildings, and conducting research on the application of 38 technical measures including protection of ecological diversity, improvement in building energy efficiency, green design, use of renewable energy and resource recycling in 10 dimensions, including ecological protection, green building, envelope structure, renewable energy, energy-efficient facilities and building materials. The Guidelines for the Application of Low-Carbon Technical Measures in Residential Housing of Sino-Ocean Group was formulated to provide guidelines for the projects to implement low-carbon concepts and construct premium products with the dual attributes of “Health + Green”.



Lights-off event for Earth Hour at Grand Canal Place (Hangzhou)

On the front of promoting Net Zero in society, the Group served as a promotion partner for Earth Hour of the World Wildlife Fund (WWF) in China in 2023, raising the public's awareness of proactively addressing climate change and conserving energy. On the day of Earth Hour, under the initiative of the Group, 23 public buildings in China, including Ocean Plaza (Beijing), Ocean International Centre (Beijing), INDIGO (Beijing), Grand Canal Place (Hangzhou) and Ocean We-life Plaza (Tianjin), turned off unnecessary lights for one hour to promote energy conservation and emission reduction. The low-carbon advocacy event engaged more than 15 million people and saved a total of 11,770 kWh of electricity, equivalent to the daily electricity consumption of 1,100 households.

RECLAIMING THE FUTURE FOR EMPLOYEE HEALTH

The Group believes that a healthy, diverse, equal and inclusive work environment is the cornerstone for the mutual growth of a corporation and its employees. To advocate gender equality and facilitate career development for women, the Sino-Ocean Group Labor Union has set up a Women Employees' Association and officially launched the Caring for Sino-Ocean Women Employees Action Plan on 8 March 2023, International Women's Day. The action plan is designed to pamper and care for women employees, protect their rights and interests, promote and disseminate knowledge related to women's rights and interests, and provide guidance and assistance to women employees at Sino-Ocean in their career development and women's growth. On the same day, a series of training sessions on Women's Learning Power and a seminar on Challenges and Breakthroughs for Women in the Workplace were held to empower female employees.

The Group attaches great importance to employee health and incorporates the concept of Building · Health into team building. During the year, under the guidance of the Institute of Sports Medicine under the General Administration of Sport of China, the Group launched an online check-in campaign for Ocean Marathon to advocate employees' healthy practices, supporting various forms of exercise and encouraging employees to develop healthy living and exercise habits in their spare time, to improve the cohesion of the team and meanwhile, to maintain their healthy spirit and strong physique.

BUILDING · HEALTH



Sino-Ocean Charity Foundation joined hands with the Kempinski Hotels Group to launch BE Health, a social charity project



7th Ocean Marathon — team building activity for staff from Central Region career development department



7th Ocean Marathon — national opening ceremony of the first station in Beijing



Unveiling of Sino-Ocean's "Young Citizens" Growth and Practice Bases at Ocean Worldview (Dalian) and Ocean Boyue Huayuan (Shanghai)

MUTUALLY BENEFICIAL FUTURE FOR HEALTHY SOCIETY

Sino-Ocean Group takes the construction of sustainable cities and communities as its mission to foster a harmonious and beautiful community through actual actions. In the first half of 2023, as one of the Group's platforms for performing its corporate citizenship and its sustained community-building efforts, and committed to building a child-friendly space and community for healthy growth, Sino-Ocean's "Young Citizens" Growth and Practice Bases were established successively in Sino-Ocean communities of 10 cities across China, including Beijing, Shanghai, Shenzhen, Hefei, Taiyuan, Xiamen, Dalian, Langfang, Qinhuangdao and Chengdu, and a series of activities were launched to develop the environmental awareness and social responsibility of our "Young Citizens".

On the front of undertaking social responsibility, Sino-Ocean Group leverages Sino-Ocean Charity Foundation as the main platform and upholds its concept of "micro-philanthropy, inclusiveness and sustainability". It joins hands with various stakeholders to engage in charity activities. Since April 2023, we have launched activities including Healthy and Beneficial Exercises for All — the 7th Ocean Marathon, Little Partner Education Sponsorship Scheme — Cloud Art Class, and Zero-Carbon Future and Creative Life — Young Citizens Innovation Charity Competition, driving customers, industries and social citizens to undertake social responsibility.

Meanwhile, the Group also focuses on motivating more partners to actively perform social responsibility. On 20 March, the Sino-Ocean Charity Foundation, which was wholly founded by the Group in 2008, joined hands with the Kempinski Hotels Group to launch BE Health, a social charity project as its first initiative to be rolled out in Kempinski Hotel Hangzhou, in support of the "Little Partner" Education Sponsorship Scheme.

Amid the changes and challenges of the market and the environment, the demands for sustainable corporate development are constantly rising. Going forward, Sino-Ocean Group will continue to put into practice the concept of Building · Health, always insist on serving with ingenuity, pursue sustainable and quality development, and continue to work with all stakeholders to create value sharing and a sustainable tomorrow.



DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of each of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long position in the Shares and the underlying Shares

Name of Directors	Capacity/nature of interest	As at 30 June 2023			
		No. of Shares held	No. of underlying Shares comprised in share options (Note i)	Total	Approximate percentage in the Company's total issued share capital (Note iv)
Mr. LI Ming	Founder of discretionary trust	127,951,178 (Note ii)	–	127,951,178	1.680%
	Beneficiary of trust	14,914,200 (Note iii)	–	14,914,200	0.196%
	Beneficial owner	65,445,000	75,000,000	140,445,000	1.844%
Mr. WANG Honghui	Beneficial owner	273,295	–	273,295	0.004%
Mr. CUI Hongjie	Beneficial owner	369,571	–	369,571	0.005%
Ms. CHAI Juan	–	–	–	–	–
Mr. ZHAO Peng	–	–	–	–	–
Mr. ZHANG Zhongdang	–	–	–	–	–
Mr. YU Zhiqiang	–	–	–	–	–
Mr. SUN Jinfeng	–	–	–	–	–
Mr. HAN Xiaojing	Beneficial owner	460,000	1,800,000	2,260,000	0.030%
Mr. JIN Qingjun	Beneficial owner	120,000	1,800,000	1,920,000	0.025%
Mr. LYU Hongbin	–	–	–	–	–
Mr. LIU Jingwei	–	–	–	–	–
Mr. JIANG Qi	–	–	–	–	–

Notes:

- (i) The share options were granted pursuant to the share option scheme of the Company, details of which are set out in the paragraphs headed "SHARE OPTION SCHEME OF THE COMPANY" in this report.
- (ii) The 127,951,178 Shares are held by a discretionary trust of which Mr. LI Ming is the founder.
- (iii) The 14,914,200 Shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.
- (iv) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 30 June 2023.

Long position in the shares of the associated corporation

Name of Director	Name of associated corporation	Capacity/ nature of interest	As at 30 June 2023	
			No. of ordinary shares of associated corporation held	Approximate percentage of total issued share capital of associated corporation (Note)
Mr. WANG Honghui	Gemini Investments (Holdings) Limited	Beneficial owner	132,000	0.021%

Note: Calculated based on Gemini Investments (Holdings) Limited's total number of issued ordinary shares of 635,570,000 shares as at 30 June 2023.

Save as disclosed above, none of the Directors nor the chief executives of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2023 as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save for the share options granted pursuant to the 2018 Option Scheme and the restricted shares awarded pursuant to the Award Scheme, as set out below, at no time during the six months ended 30 June 2023, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, other persons' interests and short positions in Shares and underlying Shares (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholders	Capacity/ nature of interest	Long/short position	As at 30 June 2023	
			No. of Shares held	Approximate percentage in the Company's total issued share capital (Note iii)
China Life Group (Note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Dajia Insurance Group (Note ii)	Interest of controlled corporation	Long	2,252,646,115	29.58%

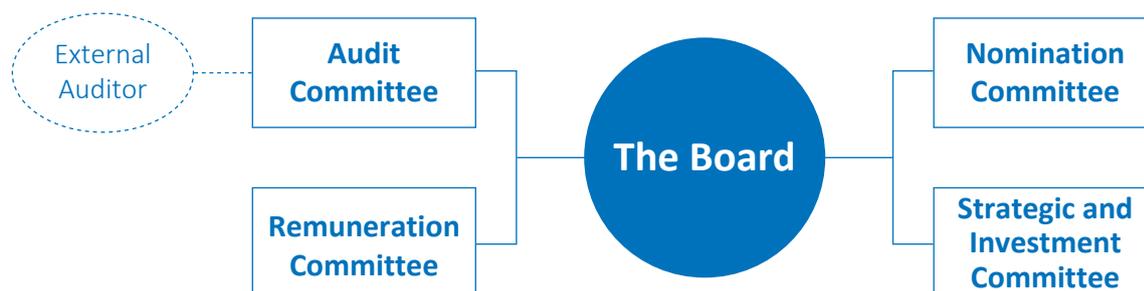
Notes:

- (i) The 2,253,459,151 Shares were registered in the name of, and beneficially owned by, China Life Insurance. China Life Group was interested in 68.37% of China Life Insurance. China Life Group was deemed to be interested in these Shares by virtue of the SFO.
- (ii) The 2,252,646,115 Shares were registered in the name of, and beneficially owned by, Dajia Life Insurance. Dajia Insurance Group was interested in 99.98% of Dajia Life Insurance. Dajia Insurance Group was deemed to be interested in these Shares by virtue of the SFO.
- (iii) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 30 June 2023.

Save as disclosed above, the Company had not been notified by any person or corporation who had interests or short positions in the Shares or underlying Shares as at 30 June 2023 as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE STRUCTURE



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Group are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence.

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 2023, to its corporate governance structure and practices as described in this report and complied with the applicable code provisions of the CG Code, except for the deviations 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.

Code provision C.5.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the period under review, the Board approved a potential connected transaction (the "Transaction") by way of passing written resolutions in lieu of a physical board meeting, in respect of which a substantial Shareholder and certain Directors who were nominated by such substantial Shareholder were regarded as having material interests. It is considered that the adoption of written resolutions in lieu of a physical board meeting allowed the Board to make decision in relation to the Transaction in a more efficient manner. Prior to the execution of the written resolutions, Board papers regarding details and information, reasons for and benefits, as well as fairness of the Transaction were provided to all Directors in advance for their review and consideration, and all Directors had declared their interests in the matters (if any) in accordance with the articles of association of the Company and applicable laws. The Directors who had material interests in the Transaction abstained from passing the written resolutions.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited interim financial information of the Company for the six months ended 30 June 2023. The Audit Committee has also discussed with the Company's management regarding risk management, internal control and other important matters.

Information update in relation to the qualified opinion expressed by auditor on the 2022 Financial Statements

The Company's independent auditor, BDO Limited, has expressed a qualified opinion (the "Qualified Opinion") on the consolidated financial statements of the Group for the year ended 31 December 2022 (the "2022 Financial Statements"). The Qualified Opinion is related to the scope of limitation on (a) interests in associates and (b) transactions and balances relating to the funds transferred to a third party. Details of the Qualified Opinion are disclosed under the paragraphs headed "BASIS FOR QUALIFIED OPINION" in the Independent Auditor's Report in the 2022 annual report of the Company. Below is an update on the status of the Qualified Opinion:

Since the publication of 2022 annual results announcement by the Company, the management of the Company has been taking initiatives, and has been committed, to resolving matters related to the Qualified Opinion. As at the date of this report, such matters have not been worsened nor had material adverse change, and with respect to the receivables due from Wuhu Deye Investment Management Center (Limited Partnership) to Beijing Zhonglian Real Estate Development Co., Ltd. (a non wholly-owned subsidiary of the Company) in the amount of RMB10.6 billion as at 31 December 2022 as mentioned under the paragraphs headed "BASIS FOR QUALIFIED OPINION" in the Independent Auditor's Report in the 2022 annual report of the Company, the balance has been reduced to RMB5.5 billion as at 30 June 2023. The management of the Company is putting all of its efforts in handling the relevant matters and it is expected that the relevant matters would be marching towards a positive development path.

AUDIT COMMITTEE

After Ms. LAM Sin Lai Judy ceased to act as a member and the chairman of the Audit Committee, each of Ms. HUANG Xiumei and Mr. SUEN Man Tak also ceased to act as a member of the Audit Committee, and Mr. LIU Jingwei was appointed as a member and the chairman of the Audit Committee, each of Mr. YU Zhiqiang and Mr. JIANG Qi was appointed as a member of the Audit Committee with effect from 26 June 2023, the Audit Committee consists of three INEDs namely Mr. LIU Jingwei, Mr. LYU Hongbin and Mr. JIANG Qi, and two NEDs, namely Mr. ZHAO Peng and Mr. YU Zhiqiang. Mr. LIU Jingwei is the chairman of the Audit Committee. He has professional qualifications in accountancy. None of the members of the Audit Committee is a member of the former or existing auditors of the Company or has any financial interest in the firm.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group, significant audit matters such as significant accounting estimates and judgmental areas and discussed, among other things, the Group's internal control, risk management and financial reporting matters including review of the Company's audited annual results and annual report for the year ended 31 December 2022, unaudited interim results and the interim report for the six months ended 30 June 2023 and reports issued by risk management department of the Group.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil) after considering that it would take time for the recovery of market confidence and the improvement of the cash flow of the Company.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Code of Conduct on terms no less exacting than those required standards set out in the Model Code. The Company has made specific enquiries with all the Directors and each of them has confirmed that he/she had complied with all required standards set out in the Model Code and the Code of Conduct throughout the six months ended 30 June 2023.

The Company has also set out a guideline regarding securities transactions by the relevant employees (the "Relevant Employees") who, because of their roles and functions in the Company or its subsidiaries, are likely to be in possession of inside information. All the Relevant Employees are reminded of the necessity for compliance with the guideline regularly.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors during the period from 3 April 2023 (being the latest practicable date prior to the issue of the annual report of the Company for the year ended 31 December 2022) to the date of this report required to be disclosed is set out below:

- Ms. CHAI Juan was appointed as an ED; each of Mr. ZHANG Zhongdang, Mr. YU Zhiqiang and Mr. SUN Jinfeng was appointed as a NED; and each of Mr. LIU Jingwei and Mr. JIANG Qi was appointed as an INED, with effect from 26 June 2023.
- Each of Ms. HUANG Xiumei, Mr. HOU Jun, Mr. CHEN Ziyang and Mr. ZHAN Zhong resigned as a NED; and each of Mr. SUEN Man Tak and Ms. LAM Sin Lai Judy resigned as an INED, with effect from 26 June 2023.
- Mr. LIU Jingwei was appointed as a member and the chairman of the Audit Committee, and each of Mr. JIANG Qi and Mr. YU Zhiqiang was appointed as a member of the Audit Committee; and Ms. LAM Sin Lai Judy ceased to be a member and the chairman of the Audit Committee, and each of Ms. HUANG Xiumei and Mr. SUEN Man Tak ceased to be a member of the Audit Committee, with effect from 26 June 2023.
- Mr. JIANG Qi was appointed as a member of the Remuneration Committee; and Mr. SUEN Man Tak ceased to be a member of the Remuneration Committee, with effect from 26 June 2023.
- Each of Ms. CHAI Juan, Mr. SUN Jinfeng and Mr. LIU Jingwei was appointed as a member of the Strategic and Investment Committee; and each of Mr. HOU Jun, Mr. CHEN Ziyang and Ms. LAM Sin Lai Judy ceased to be a member of the Strategic and Investment Committee, with effect from 26 June 2023.
- Ms. CHAI Juan was appointed as a Vice President of the Company with effect from 27 June 2023. Ms. CHAI ceased to be the secretary of the Committee for Discipline Inspection of the Shenzhen Audit Center of China Life Insurance since June 2023.
- In May 2023, Mr. LI Ming was informed by HKSAR Registration and Electoral Office that he ceased to be a member of the 6th Election Committee in HKSAR.

RESTRICTED SHARE AWARD SCHEME

The purpose of the Award Scheme is to provide an incentive to retain and encourage employees for the continual operation and development of our Group. The participants of the Award Scheme are the formal employees of the Group, and the Board may grant restricted shares to eligible employees of the Group (including Directors) and determine the number of restricted shares to be awarded at its absolute discretion pursuant to the terms of the Award Scheme. The Award Scheme, which was in full force and effect from the RSS Adoption Date (i.e. 22 March 2010) for a term of 10 years, had expired on 22 March 2020. Although the Award Scheme had expired, the restricted shares already awarded under such scheme before its expiration but yet to be vested remain valid. Following the expiry of the Award Scheme, no further restricted share can be awarded thereunder.

According to the Award Scheme, the maximum number of Shares to be awarded under the Award Scheme is 169,104,822 Shares, representing approximately 3.00% and 2.22% of the total issued Shares as at the RSS Adoption Date and the date of this report, respectively. There is no maximum entitlement for each participant under the Award Scheme. The restricted shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The Shares were awarded to the Directors and employees of the Group at nil consideration (i.e. the awardee does not have to pay any purchase price on acceptance and vesting of the awarded Shares) and the Shares will be vested in tranches over a period of three years commencing from the date of award, of which 40% will be vested on the first anniversary of the date of award and the remaining 60% will be vested in eight tranches over the next two years, with 7.5% of the awarded Shares being vested every three months.

During the period under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 2 Shares from the market at an aggregate consideration of approximately RMB2 (including transaction costs). Since the RSS Adoption Date and up to 30 June 2023, an aggregate of 168,579,822 Shares, representing approximately 2.99% and 2.21% of the total issued Shares as at the RSS Adoption Date and the date of this report, respectively, had been acquired from the market at an aggregate consideration of approximately RMB543,737,144 (including transaction costs), and from receiving scrip Shares in lieu of cash dividend by the trustee.

Details of the number of Shares awarded under the Award Scheme but yet to be vested and the number of Shares vested during the period under review are set out below:

Category of awardee	Date of award	No. of Shares awarded but yet to be vested as at 1 January 2023	No. of Shares vested during the period (Note v)	No. of Shares awarded but yet to be vested as at 30 June 2023
Employees of the Group (Note iv)	20 March 2020	4,887,247	4,887,247	–

Notes:

- (i) The Shares awarded under the Award Scheme are vested in tranches over a period of three years commencing on the date of award, where 40% of awarded Shares will be vested on the first anniversary of the date of award and the remaining 60% of the awarded Shares will be vested in eight tranches over the next two years, with 7.5% of the awarded Shares being vested every three months.
- (ii) During the six months ended 30 June 2023, no Share was awarded, cancelled or lapsed with respect to the Award Scheme.
- (iii) None of the unvested Shares was awarded to a Director or the five highest paid individuals of the Group.
- (iv) Employees of the Group exclude the Directors and the five highest paid individuals of the Group.
- (v) The weighted average closing price of the Shares immediately before the date on which the relevant awarded Shares were vested was HKD0.98.

SHARE OPTION SCHEME OF THE COMPANY

The 2018 Option Scheme (details of which were set out in the circular of the Company dated 16 July 2018) is valid and effective for a period of 10 years until 5 August 2028, unless it is terminated early in accordance with its provisions. The number of share options available for grant under the 2018 Option Scheme was 17,400,000 at the beginning and the end of the financial period for the six months ended 30 June 2023, representing approximately 0.23% of the total number of the issued Shares as at the date of this report.

Particulars of share options outstanding under the 2018 Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2023 and share options granted, exercised, cancelled or lapsed under the 2018 Option Scheme during such period were as follows:

Category of participants	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2023	No. of share options outstanding as at 30 June 2023
Directors					
<i>Existing Directors</i>					
Mr. LI Ming	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	25,000,000	25,000,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	50,000,000	50,000,000
Mr. HAN Xiaojing	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. JIN Qingjun	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Subtotal				78,600,000	78,600,000

Category of participants	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2023	No. of share options outstanding as at 30 June 2023
<i>Former Directors</i>					
Mr. SUEN Man Tak (resigned on 26 June 2023)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. WANG Zhifeng (resigned on 31 March 2023)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Ms. LAM Sin Lai Judy (resigned on 26 June 2023)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Subtotal				5,400,000	5,400,000
Five highest paid individuals of the Group (Note iii)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	10,000,000	10,000,000
Other employees of the Group (Note iv)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	194,600,000	194,600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	455,528,565	455,528,565
Subtotal				650,128,565	650,128,565
Total				744,128,565	744,128,565

Notes:

- (i) The share options granted under the 2018 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 50% of share options will become exercisable after 12 months from the date of grant and all share options will become exercisable after 24 months from the date of grant.
- (ii) During the six months ended 30 June 2023, no share option was granted, exercised, cancelled or lapsed with respect to the 2018 Option Scheme.
- (iii) Among the five individuals whose emoluments were the highest in the Group during the six months ended 30 June 2023, three of whom were Executive Directors, namely Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie. The particulars of the share options included under the category of "Five highest paid individuals of the Group" exclude those of the share options granted to the Directors. For particulars of the share options granted to the Directors, please refer to the category under "Directors".
- (iv) Other employees of the Group exclude the Directors and the five highest paid individuals of the Group.

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

Save as disclosed in the paragraphs headed "RESTRICTED SHARE AWARD SCHEME" in this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period under review.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2023, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% under the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the affiliated companies as at 30 June 2023 is presented as follows:

	RMB (million)
Non-current assets	19,939
Current assets	81,000
Current liabilities	(59,982)
Non-current liabilities	(26,861)
Net assets	14,096

The Group's attributable interest in the affiliated companies as at 30 June 2023 amounted to approximately RMB7,576 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2023.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Notes	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Revenue	6	20,806,596	23,412,414
Cost of sales		(20,931,389)	(19,101,833)
Gross (loss)/profit		(124,793)	4,310,581
Interest and other income		476,630	968,241
Other losses — net	20	(1,193,515)	(1,114,973)
Fair value change on investment properties	9	150,368	(73,599)
Selling and marketing expenses		(572,267)	(532,885)
Impairment loss on financial assets		(11,294,463)	(50,011)
Administrative expenses		(815,519)	(647,592)
Operating (loss)/profit		(13,373,559)	2,859,762
Finance costs	21	(1,881,267)	(1,344,637)
Share of results of joint ventures		(1,255,889)	67,094
Share of results of associates		(1,405,411)	170,708
(Loss)/profit before income tax		(17,916,126)	1,752,927
Income tax expense	22	(393,264)	(1,645,043)
(Loss)/profit for the period		(18,309,390)	107,884
Attributable to:			
— Owners of the Company		(18,369,229)	(1,087,353)
— Non-controlling interests		59,839	1,195,237
		(18,309,390)	107,884
Loss per share attributable to owners of the Company during the period (expressed in RMB)			
Basic loss per share	23	(2.412)	(0.143)
Diluted loss per share	23	(2.412)	(0.143)

The notes on pages 65 to 98 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit for the period	(18,309,390)	107,884
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	4,961	(122,182)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(372,000)	(866,029)
Deferred hedging gains	56,486	–
Share of other comprehensive income of investments accounted for using the equity method	2,089	430
Other comprehensive loss for the period	(308,464)	(987,781)
Total comprehensive loss for the period	(18,617,854)	(879,897)
Total comprehensive (loss)/income attributable to:		
— Owners of the Company	(18,826,273)	(2,283,082)
— Non-controlling interests	208,419	1,403,185
Total comprehensive loss for the period	(18,617,854)	(879,897)

The notes on pages 65 to 98 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	3,487,446	3,536,637
Right-of-use assets		1,818,068	362,198
Land use rights	7	218,941	275,873
Intangible assets	8	438,092	459,807
Goodwill		1,249,936	888,654
Investment properties	9	8,958,237	7,734,474
Interests in joint ventures	10	19,395,897	20,463,935
Interests in associates	11	4,586,467	4,847,594
Financial assets at fair value through other comprehensive income	12	1,103,229	971,614
Financial assets at fair value through profit or loss	13	4,294,252	4,478,828
Trade and other receivables and prepayments	14	9,726,062	8,387,895
Deferred income tax assets		1,659,295	1,527,180
Total non-current assets		56,935,922	53,934,689
Current assets			
Properties under development		58,959,125	73,299,924
Inventories, at cost		1,164,258	1,223,421
Land development cost recoverable		1,276,610	1,275,688
Completed properties held for sale		22,952,082	20,234,097
Financial assets at fair value through profit or loss	13	1,202,555	972,284
Trade and other receivables and prepayments	14	65,951,399	83,490,813
Contract assets		50,860	29,177
Restricted bank deposits		4,504,427	4,763,360
Cash and cash equivalents		3,145,635	4,623,126
		159,206,951	189,911,890
Assets classified as held for sale		–	2,225,754
Total current assets		159,206,951	192,137,644

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Current liabilities			
Borrowings	18	44,616,353	38,091,736
Lease liabilities		110,162	74,782
Trade and other payables	19	46,864,863	44,882,027
Contract liabilities		35,359,412	41,025,991
Income tax payable		12,055,219	13,149,119
Financial liabilities at fair value through profit or loss		–	168,420
Total current liabilities		139,006,009	137,392,075
Non-current liabilities			
Borrowings	18	47,299,681	58,931,713
Lease liabilities		1,895,646	323,616
Trade and other payables	19	529,865	56,176
Deferred income tax liabilities		1,553,659	1,482,767
Total non-current liabilities		51,278,851	60,794,272
Net assets		25,858,013	47,885,986
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	27,329,232	27,329,232
Shares held for Restricted Share Award Scheme	15	–	(1,062)
Reserves		(7,975,933)	(7,337,248)
(Accumulated losses)/retained earnings		(6,612,669)	11,756,560
		12,740,630	31,747,482
Non-controlling interests		13,117,383	16,138,504
Total equity		25,858,013	47,885,986

The notes on pages 65 to 98 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Notes	Attributable to owners of the Company				Non-controlling interests				Total equity RMB'000
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Reserves RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	
Balance at 1 January 2023	27,329,232	(1,062)	(7,337,248)	11,756,560	31,747,482	2,359,000	4,349,689	9,429,815	47,885,986	
(Loss)/profit for the period	-	-	-	(18,369,229)	(18,369,229)	101,471	148,982	(190,614)	(18,309,390)	
Fair value change on financial assets at fair value through other comprehensive income, net of tax	-	-	4,961	-	4,961	-	-	-	4,961	
Deferred hedging gains	-	-	56,486	-	56,486	-	-	-	56,486	
Currency translation differences	-	-	(520,580)	-	(520,580)	-	148,580	-	(372,000)	
Share of other comprehensive income of investments accounted for using the equity method	-	-	2,089	-	2,089	-	-	-	2,089	
Total comprehensive (loss)/income, net of tax	-	-	(457,044)	(18,369,229)	(18,826,273)	101,471	297,562	(190,614)	(18,617,854)	
Transactions with owners of the company										
Expenses on share-based payment	-	-	(1,479)	-	(1,479)	-	-	-	(1,479)	
Vesting of shares under restricted share award scheme	-	1,062	(1,062)	-	-	-	-	-	-	
Distribution relating to capital instrument	-	-	-	-	-	(15,941)	-	-	(15,941)	
Distribution relating to non-controlling interests	-	-	-	-	-	-	-	(465,116)	(465,116)	
Distribution relating to capital securities	-	-	-	-	-	-	(147,850)	-	(147,850)	
Capital injection from non-controlling interests	-	-	-	-	-	-	-	6,271	6,271	
Capital reduction of subsidiaries	-	-	-	-	-	-	-	(1,950,000)	(1,950,000)	
Total contributions by and distributions to owners of the company	-	1,062	(2,541)	-	(1,479)	(15,941)	(147,850)	(2,408,845)	(2,574,115)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	(120,843)	(120,843)	
Disposal of subsidiaries	-	-	-	-	-	-	-	(601,303)	(601,303)	
Acquisition and disposal of partial interests in subsidiaries	-	-	(179,100)	-	(179,100)	-	-	65,242	(113,858)	
Total transactions with owners of the company	-	1,062	(181,641)	-	(180,579)	(15,941)	(147,850)	(3,065,749)	(3,410,119)	
Balance at 30 June 2023	27,329,232	-	(7,975,933)	(6,612,669)	12,740,630	2,444,530	4,499,401	6,173,452	25,858,013	

	Unaudited									
	Notes	Attributable to owners of the Company				Non-controlling interests				
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Reserves RMB'000	Retained earnings/(accumulated losses) RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated securities capital guaranteed RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2022		27,329,232	(52,317)	(87,891)	27,884,787	55,073,811	4,359,000	4,013,051	13,001,507	76,447,369
(Loss)/profit for the period		–	–	–	(1,087,353)	(1,087,353)	141,108	102,309	951,820	107,884
Fair value change on financial assets at fair value through other comprehensive income, net of tax		–	–	(122,182)	–	(122,182)	–	–	–	(122,182)
Currency translation differences		–	–	(1,073,977)	–	(1,073,977)	–	207,948	–	(866,029)
Share of other comprehensive income of investments accounted for using the equity method		–	–	430	–	430	–	–	–	430
Total comprehensive (loss)/income, net of tax		–	–	(1,195,729)	(1,087,353)	(2,283,082)	141,108	310,257	951,820	(879,897)
Transaction with owners of the company										
Dividends relating to 2021	24	–	–	–	(198,018)	(198,018)	–	–	–	(198,018)
Expenses on share-based payment		–	–	8,793	–	8,793	–	–	–	8,793
Vesting of shares under restricted share award scheme		–	29,199	(29,199)	–	–	–	–	–	–
Distribution relating to capital instrument		–	–	–	–	–	(141,108)	–	–	(141,108)
Distribution relating to capital securities		–	–	–	–	–	–	(102,309)	–	(102,309)
Distribution relating to non-controlling interests		–	–	–	–	–	–	–	(166,495)	(166,495)
Repayment of capital instrument		–	–	–	–	–	(2,000,000)	–	–	(2,000,000)
Total contributions by and distributions to owners of the company		–	29,199	(20,406)	(198,018)	(189,225)	(2,141,108)	(102,309)	(166,495)	(2,599,137)
Acquisition of subsidiaries		–	–	–	–	–	–	–	199,801	199,801
Disposal of subsidiaries		–	–	–	–	–	–	–	(44,956)	(44,956)
Acquisition of additional interests in subsidiaries		–	–	(316,555)	–	(316,555)	–	–	(1,059,771)	(1,376,326)
Total transactions with owners of the company		–	29,199	(336,961)	(198,018)	(505,780)	(2,141,108)	(102,309)	(1,071,421)	(3,820,618)
Balance at 30 June 2022		27,329,232	(23,118)	(1,620,581)	26,599,416	52,284,949	2,359,000	4,220,999	12,881,906	71,746,854

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Notes	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash generated from/(used in) operations		4,980,965	(2,482,142)
Interest paid		(2,536,404)	(2,405,552)
Income tax paid		(691,089)	(1,386,956)
Net cash generated from/(used in) operating activities		1,753,472	(6,274,650)
Cash flows from investing activities			
Advances to business partners		–	(859,803)
Advances to associates and joint ventures		(14,223,103)	(9,516,088)
Capital injection to associates and joint ventures		(88,441)	(425,173)
Repayment of advances to business partners		60,000	2,392,225
Repayment of advances to associates and joint ventures		15,667,637	9,145,786
Others		3,674,441	1,690,707
Net cash generated from investing activities		5,090,534	2,427,654
Cash flows from financing activities			
Proceeds from borrowings		5,901,461	18,592,206
Repayments of borrowings		(13,326,525)	(19,088,101)
Repayment of capital instrument		–	(2,000,000)
Others		(862,072)	(461,946)
Net cash used in financing activities		(8,287,136)	(2,957,841)
Net decrease in cash and cash equivalents		(1,443,130)	(6,804,837)
Cash and cash equivalents at the beginning of the period		4,623,126	21,655,471
Exchange losses		(34,361)	(235,314)
Cash and cash equivalents at end of the period		3,145,635	14,615,320

The notes on pages 65 to 98 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM 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 Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Condensed Consolidated Interim Financial Statements have not been audited and are presented in Renminbi (“RMB”), unless otherwise stated. The Condensed Consolidated Interim Financial Statements were approved for issue on 30 August 2023 by the Board of Directors of the Company (the “Board”).

2. BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023 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 Condensed Consolidated Interim Financial Statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The financial statements relating to the year ended 31 December 2022 that is included in the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023 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 2022 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 2022 was qualified; 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. BASIS OF PREPARATION (Continued)

Going Concern

The Group incurred a net loss of approximately RMB18.3 billion for the six months ended 30 June 2023 and, as at 30 June 2023, the Group had current liabilities of approximately RMB103.6 billion that are repayable within twelve months from the end of the reporting period.

As at 30 June 2023, the Group had total borrowings in principal amount of RMB91.92 billion as stated in the condensed consolidated interim statement of financial position. Up to the date on which the Condensed Consolidated Interim Financial Statements are approved for issue, the Group had total borrowings in principal amount of RMB90.96 billion. Besides, RMB2 billion corporate bonds on the Shanghai Stock Exchange is due on 1 September 2023.

In addition, for various reasons the Group was involved in various litigation and arbitration cases as disclosed in note 27 to the Condensed Consolidated Interim Financial Statements.

Nevertheless, the Condensed Consolidated Interim Financial Statements have been prepared on the going concern basis which is based on the cash flow projection of the Group covering a period from the end of the reporting period up to 30 June 2024 (the "Forecast Period") after taking into consideration the following actions or events:

- (i) The Group has actively adjusted its sales strategies to respond to market changes to help achieve the targeted sales volumes and amounts;
- (ii) The Group has actively engaged with its sub-contractors and suppliers to ensure that properties projects would be completed to meet the Group's delivery targets and that the construction and related payments are fulfilled;
- (iii) The Group has been actively negotiating with the banks, bondholders, and financial institutions for the purposes of renewing and/or restructuring the overdue borrowings as well as those that are about to become due based on the Group's current and expected liquidity; and
- (iv) Subject to the renewal of the loan facilities over the Forecast Period, the Group had unused loan facilities of approximately RMB129 billion as at 30 June 2023 is still valid.

Based on the cash flow projection over the Forecast Period, the Directors of the Company are satisfied that it is appropriate to prepare the Condensed Consolidated Interim Financial Statements on a going concern basis. However, the validity of the use of the going concern is dependent upon the successful implementation of the above plans and measures. However, there are material uncertainties associated with their future outcomes that include whether (i) the market conditions would not further deteriorate that the render the sales strategies of the Group not sufficiently effective to generate the cash flows that meet the Group's operating budgets, (ii) the Group would be able to reach payment terms that are viable to the Group and the sub-contractors and suppliers, (iii) the financial institutions and bondholders and other lenders would agree any renewal and restructure that are proposed or to be proposed by the Group; and (iv) the Group would be able to renew the loan facilities when they become mature.

Should the Group be unable to continue in business as a going concern basis, adjustments would have to be made in the Condensed Consolidated Interim Financial Statements to write down carrying amounts of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments have not been reflected in the Condensed Consolidated Interim Financial Statements.

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements, except for the adoption of new and amended standards as set out below.

HKFRS 17	Insurance Contracts (including the October 2020 and February 2022 Amendments to HKFRS 17)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction, International Tax Reform — Pillar Two Model Rules

These standards and amendments 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 of the new or amended standards and interpretations which have been published but not yet effective for financial period commencing 1 January 2023.

4. ESTIMATES

The preparation of the Condensed Consolidated Interim Financial Statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Condensed Consolidated Interim Financial Statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group's annual financial statements for the year ended 31 December 2022.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk.

The Condensed Consolidated Interim Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended at 31 December 2022.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continue)

5.2 Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the finance department of the Group. The finance department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Such forecast process takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2023 (Unaudited)					
Borrowings	52,584,662	22,184,887	23,371,345	9,793,501	107,934,395
Lease liabilities	226,259	201,513	615,069	1,836,157	2,878,998
Trade and other payables excluding statutory liabilities	40,068,491	–	529,865	–	40,598,356
	92,879,412	22,386,400	24,516,279	11,629,658	151,411,749
At 31 December 2022 (Audited)					
Borrowings	42,111,473	23,836,677	33,335,420	8,776,239	108,059,809
Lease liabilities	140,471	43,485	120,948	300,150	605,054
Trade and other payables excluding statutory liabilities	37,564,361	37,009	19,167	–	37,620,537
	79,816,305	23,917,171	33,475,535	9,076,389	146,285,400

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 Liquidity risk (Continued)

The amounts have not included financial guarantee contracts:

- which the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee for loans procured by the purchasers of the Group's properties (Note 25). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two or three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties;
- which the Group provided joint-liability guarantees in respect of third parties, joint ventures and associates' bank borrowings and other borrowings (Note 25). Such guarantees terminate upon the repayment of relevant borrowings.

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair value estimation (Continued)

The following tables present the Group's financial assets or liabilities that are measured at fair value at 30 June 2023 and 31 December 2022.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2023 (Unaudited)				
Assets				
Financial assets at fair value through profit or loss (Note 13)	135,308	147,518	5,213,981	5,496,807
Financial assets at fair value through other comprehensive income (Note 12)	14,518	–	1,088,711	1,103,229
	149,826	147,518	6,302,692	6,600,036
As at 31 December 2022 (Audited)				
Assets				
Financial assets at fair value through profit or loss (Note 13)	481,284	229,227	4,740,601	5,451,112
Financial assets at fair value through other comprehensive income (Note 12)	16,020	–	955,594	971,614
	497,304	229,227	5,696,195	6,422,726
Liabilities				
Financial liabilities at fair value through profit or loss	–	(168,420)	–	(168,420)

There were no transfers between three levels during the period.

During the period, there were no significant changes in the business or economic circumstances that may affect the fair value of the Group's financial assets and financial liabilities.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.4 Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 instruments for the period ended 30 June 2023.

	Financial asset at fair value through other comprehensive income and through profit or loss RMB'000 (Unaudited)
Financial assets in Level 3	
Opening balance	5,696,195
Additions	64,959
Increase due to acquisition of a subsidiary	580,860
Fair value change	(224,337)
Currency translation differences	186,015
Disposals	(1,000)
Closing balance	6,302,692

The finance department of the Group includes a team that performs the valuations of Level 3 financial instruments required for financial reporting purposes. The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done once every six months, in line with the Group's interim and annual reporting dates.

The components of the Level 3 instruments mainly include investments in private investment funds, convertible preference shares and perpetual bonds. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows and comparable transactions approaches. Major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimate of discount rate and recent market transactions etc. The fair values of these instruments determined by the Group requires significant judgement, including the financial performance of the investee company, market value of comparable properties as well as discount rate, etc.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.5 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO) and external valuers will be engaged, if necessary.

As part of the valuation process, any changes in Level 2 and Level 3 fair values and the reasons for the fair value movements are analysed between the CFO and the team.

5.6 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Restricted bank deposits
- Cash and cash equivalents
- Borrowings
- Trade and other payables
- Lease liabilities

6. 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 considers 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 assesses 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 and other gains and losses-net. 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 financial liabilities at fair value through profit or loss, all of which are managed on a central basis as well. These are part of the reconciliation to statement of financial position.

6. SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors of the Company for the reportable segments for six months ended 30 June 2023 and 2022 is as follows:

	Unaudited									
	Property Development						Property investment	Property management	All other segments	Total
	Beijing	Bohai Rim	Eastern China	Southern China	Central China	Western China				
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 2023										
Total segment revenue	1,918,707	4,267,028	2,428,180	2,191,938	5,728,035	786,955	199,642	1,555,837	3,216,649	22,292,971
Inter-segment revenue	(663)	–	(2,469)	–	–	–	(2,563)	(116,105)	(1,364,575)	(1,486,375)
Revenue (from external customers)	1,918,044	4,267,028	2,425,711	2,191,938	5,728,035	786,955	197,079	1,439,732	1,852,074	20,806,596
Segment operating (loss)/profit	(349,928)	272,316	(1,345,363)	(131,120)	(338,351)	(222,660)	85,828	246,860	(10,454,064)	(12,236,482)
Depreciation and amortization	(9,419)	(2,280)	(165)	(478)	(251)	(75)	(58)	(21,028)	(131,821)	(165,575)
Six months ended 30 June 2022										
Total segment revenue	2,487,785	6,681,788	2,339,437	1,893,857	4,176,755	915,882	211,098	1,600,278	4,832,352	25,139,232
Inter-segment revenue	(626)	–	–	(230)	–	–	(1,001)	(210,157)	(1,514,804)	(1,726,818)
Revenue (from external customers)	2,487,159	6,681,788	2,339,437	1,893,627	4,176,755	915,882	210,097	1,390,121	3,317,548	23,412,414
Segment operating profit/(loss)	453,367	1,797,840	109,932	124,258	812,033	(48,757)	86,596	205,981	615,044	4,156,294
Depreciation and amortization	(10,208)	(810)	(1,940)	(5,822)	(989)	(871)	(168)	(18,013)	(105,422)	(144,243)

6. SEGMENT INFORMATION (Continued)

	Property Development						Property investment	Property management	All other segments	Total
	Beijing	Bohai Rim	Eastern China	Southern China	Central China	Western China				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2023 (Unaudited)										
Total segment assets	10,584,271	22,363,855	19,345,611	29,932,532	23,915,336	8,701,677	4,154,824	4,347,388	60,483,885	183,829,379
Additions to non-current assets (other than financial instruments and deferred income tax assets)	568	947	507,035	24	858,022	–	155	4,680	67,051	1,438,482
Total segment liabilities	9,568,302	16,651,209	13,286,955	14,275,346	12,849,569	5,096,247	236,591	1,790,315	23,060,633	96,815,167
As at 31 December 2022 (Audited)										
Total segment assets	16,002,920	22,739,272	21,100,106	23,452,087	25,991,484	7,528,940	3,699,509	3,831,075	88,361,868	212,707,261
Additions to non-current assets (other than financial instruments and deferred income tax assets)	530,580	40,457	41	905	653	417	29	100,324	2,153,553	2,826,959
Total segment liabilities	6,170,793	15,356,930	15,458,748	13,118,688	15,354,419	5,026,319	174,213	1,836,577	27,015,024	99,511,711

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

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Segment operating (loss)/profit	(12,236,482)	4,156,294
Corporate finance income	128	623
Corporate overheads	(94,058)	(108,583)
Fair value change on investment properties (Note 9)	150,368	(73,599)
Other losses— net (Note 20)	(1,193,515)	(1,114,973)
Finance costs (Note 21)	(1,881,267)	(1,344,637)
Share of results of joint ventures	(1,255,889)	67,094
Share of results of associates	(1,405,411)	170,708
(Loss)/profit before income tax	(17,916,126)	1,752,927

6. SEGMENT INFORMATION (Continued)

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Total segment assets	183,829,379	212,707,261
Corporate cash and cash equivalents	71,799	103,637
Interests in joint ventures (Note 10)	19,395,897	20,463,935
Interests in associates (Note 11)	4,586,467	4,847,594
Financial assets at fair value through other comprehensive income (Note 12)	1,103,229	971,614
Financial assets at fair value through profit or loss (Note 13)	5,496,807	5,451,112
Deferred income tax assets	1,659,295	1,527,180
Total assets per consolidated statement of financial position	216,142,873	246,072,333
Total segment liabilities	96,815,167	99,511,711
Current borrowings (Note 18)	44,616,353	38,091,736
Non-current borrowings (Note 18)	47,299,681	58,931,713
Deferred income tax liabilities	1,553,659	1,482,767
Financial liabilities at fair value through profit or loss	–	168,420
Total liabilities per consolidated statement of financial position	190,284,860	198,186,347

For the six months ended 30 June 2023, included in the revenue of sales of properties, RMB16,967,243,000 was recognised as a point in time, RMB350,468,000 was recognised over time.

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the Mainland China. Revenues of the Group are mainly derived from external customers in the Mainland China for the six months ended 30 June 2023 and 2022.

As at 30 June 2023, total non-current assets other than financial instruments and deferred income tax assets located in the Mainland China, Hong Kong and the United States amounted to approximately RMB39,951,597,000, RMB2,083,000 and RMB199,404,000 (31 December 2022: RMB38,366,805,000, RMB2,963,000 and RMB199,404,000), respectively.

For the six months ended 30 June 2023 and 2022, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales.

7. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

	Unaudited	
	Property, plant and equipment RMB'000	Land use rights RMB'000
Opening net book amount as at 1 January 2023	3,536,637	275,873
Additions	114,145	–
Acquisition of subsidiaries	39,208	–
Depreciation	(74,888)	(8,957)
Disposals	(118,265)	–
Disposals of subsidiaries	(9,391)	(47,975)
Closing net book amount as at 30 June 2023	3,487,446	218,941
Opening net book amount as at 1 January 2022	3,204,097	197,949
Additions	111,773	–
Acquisition of subsidiaries	2,016	–
Transfer from completed properties held for sale	492,096	19,829
Depreciation	(82,388)	(4,923)
Disposals	(1,128)	–
Disposal of subsidiaries	(109)	–
Closing net book amount as at 30 June 2022	3,726,357	212,855

8. INTANGIBLE ASSETS

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Opening net book amount at beginning of the period	459,807	219,074
Additions	2,984	5,317
Amortization	(24,699)	(18,790)
Closing net book amount at end of the period	438,092	205,601

9. INVESTMENT PROPERTIES

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Opening net book amount at beginning of the period	7,734,474	6,441,213
Disposals	–	(32,401)
Transfer from completed properties held for sales	1,073,395	–
Currency translation differences	–	12,757
Fair value change recognised in profit or loss	150,368	(73,599)
Closing net book amount at end of the period	8,958,237	6,347,970

(a) Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Dalian, Ganzhou, Shuyang and the United States are generally derived using the income capitalization method. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

There were no changes to the valuation techniques during the period and there were no transfers between fair value hierarchy during the period.

(b) Non-current assets pledged as security

Investment properties with carrying values of approximately RMB5,604,166,000 and RMB4,872,057,000 were pledged as collateral for the Group's borrowings as at 30 June 2023 and 31 December 2022, respectively.

10. INTERESTS IN JOINT VENTURES

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
At beginning of the period	20,463,935	25,290,806
Capital injection	88,441	362,193
Capital reduction	–	(15,338)
Dividend	(18,367)	(100,743)
Disposals	(83,724)	(485,597)
Deemed disposal of joint ventures, net	–	(125,416)
Increase due to partial disposal of interest in subsidiaries, net	–	39,334
Increase due to acquisition	–	360,106
Share of results of joint ventures		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the joint ventures	(1,262,544)	(7,959)
Currency translation differences	208,156	49,538
At end of the period	19,395,897	25,366,924

11. INTERESTS IN ASSOCIATES

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At beginning of the period	4,847,594	6,730,935
Capital injection	–	62,980
Capital reduction	–	(45,415)
Dividend	(8,920)	(28,575)
Disposals	(30,069)	(525,646)
Increase due to partial disposal of interests in a subsidiary	1,114,612	29,905
Share of results of associates		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the associates	(1,410,821)	173,900
Currency translation differences	74,071	15,591
At end of the period	4,586,467	6,413,675

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at fair value through other comprehensive income

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
	Listed securities (a)	14,518
Unlisted securities	1,088,711	955,594
	1,103,229	971,614
Less: Non-current portion	(1,103,229)	(971,614)
Current portion	–	–

(a) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortized cost or fair value through other comprehensive income, and
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value change through other comprehensive income.

Financial assets mandatorily measured at fair value through profit or loss include the following:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Investment in fund and bond investments	4,141,587	4,717,622
Investment in other unlisted equity securities	895,513	316,654
Investment in listed equity securities	2,637	4,160
Derivative financial instruments	457,070	412,676
	5,496,807	5,451,112
Less: Non-current portion	(4,294,252)	(4,478,828)
Current portion	1,202,555	972,284

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables (a)	4,862,473	5,276,891
Other receivables and prepayments (b)	70,814,988	86,601,817
	75,677,461	91,878,708
Less: non-current portion	(9,726,062)	(8,387,895)
Current portion	65,951,399	83,490,813

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade receivables

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables	5,569,877	5,787,523
Less: provision for impairment of trade receivables	(707,404)	(510,632)
	4,862,473	5,276,891
Less: non-current portion	–	–
Current portion	4,862,473	5,276,891

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 trade receivables mainly based on invoice or bills issuance date at the respective balance sheet dates is as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 6 months	1,890,170	1,952,854
Between 6 months to 1 year	1,179,159	2,047,211
Between 1 year to 2 years	1,478,866	1,269,705
Between 2 years to 3 years	750,850	443,507
Over 3 years	270,832	74,246
	5,569,877	5,787,523

As at 30 June 2023, trade receivables with carrying values of approximately RMB89,165,000 (31 December 2022: nil) were pledged as collateral for the Group's borrowings.

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Opening amount at beginning of the period/year	(510,632)	(150,580)
Provision for receivable impairment	(197,000)	(360,384)
Write-off	228	332
Closing amount at end of the period/year	(707,404)	(510,632)

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Entrusted loans due from joint ventures (i)	5,027,506	4,281,355
Entrusted loans due from associates (ii)	24,510	–
Entrusted loans due from third parties (iii)	1,290,252	1,336,422
Amounts due from joint ventures (iv)	26,841,324	26,402,974
Amounts due from non-controlling interests (v)	5,696,804	6,362,263
Amounts due from associates (vi)	10,132,278	10,265,224
Amounts due from third parties (iii), (x)	15,654,274	22,691,709
	64,666,948	71,339,947
Less: provision for impairment	(15,177,997)	(4,588,868)
	49,488,951	66,751,079
Receivables from government (vii)	760,401	762,181
Payment for the cooperation of potential properties development projects (viii)	3,654,905	2,307,819
Receivables from disposal of interest in subsidiaries	2,831,596	2,755,545
Other receivables	2,527,904	2,016,171
	9,774,806	7,841,716
Less: provision for impairment	(864,488)	(543,823)
	8,910,318	7,297,893
Tax prepayments	7,756,757	8,519,322
Other prepayments (ix)	4,658,962	4,033,523
	12,415,719	12,552,845
Total other receivables and prepayments	70,814,988	86,601,817
Less: non-current portion	(9,726,062)	(8,387,895)
Current portion	61,088,926	78,213,922

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

- (i) Entrusted loans due from joint ventures are unsecured, interest bearing from 0% to 13% (31 December 2022: from 0% to 13%) per annum. Balances of approximately RMB3,998,551,000 (31 December 2022: RMB3,842,277,000) are repayable within one year. The remaining balances of approximately RMB1,028,955,000 (31 December 2022: RMB439,078,000) are repayable after one year and included in the non-current portion.
- (ii) Entrusted loans due from associates are unsecured, interest bearing at 7% (31 December 2022: 0%) per annum. Balances of approximately RMB24,510,000 are repayable after one year and hence included in the non-current portion.
- (iii) Entrusted loans and amounts due from third parties represent amounts paid to joint ventures and associates of the Group in order to support their development of real estate projects. The Group has no direct equity interests in these companies to which the amounts paid are classified as entrusted loans and amounts due from third parties.

As at 30 June 2023 and 31 December 2022, entrusted loans due from third parties comprised approximately RMB1,290,252,000 (31 December 2022: RMB1,336,422,000). Unsecured loans bear interest ranging from 8.5% to 15% (2022: from 8.5% to 15%) per annum.

Amounts due from third parties are unsecured, interest free, and repayable on demand.

- (iv) Amounts due from joint ventures are unsecured and interest free. Balances of approximately RMB3,305,547,000 (31 December 2022: RMB3,366,986,000) are repayable after one year and included in the non-current portion. The remaining balances are repayable on demand.
- (v) Amounts due from non-controlling interests are unsecured and interest free. Balances of approximately RMB310,000,000 (31 December 2022: RMB310,000,000) are repayable after one year and included in the non-current portion. The remaining balances are repayable on demand.
- (vi) Amounts due from associates are unsecured and interest free. Balances of approximately RMB10,000,000 (31 December 2022: RMB10,000,000) are repayable after one year and included in the non-current portion. The remaining balances are repayable on demand.
- (vii) Receivables from government mainly represent payments made for land development cost, deposits paid to government in the activities of land purchasing, and funds to government for cooperation intention in real estate project development, which will be subsequently reimbursed by the government.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

- (viii) Amounts mainly represent the payment for cooperation of potential properties development projects. As at 30 June 2023, such cooperation is still in negotiation stage. Balances of approximately RMB150,000,000 (31 December 2022: RMB150,000,000) are unsecured, interest bearing at 8.8% (31 December 2022: 8.8%) per annum. The remaining balances of approximately RMB3,504,905,000 (31 December 2022: RMB2,157,819,000) are unsecured and interest free. Balance of approximately RMB3,654,905,000 (31 December 2022: RMB2,307,819,000) are repayable on demand.
- (ix) As at 30 June 2023, included in prepayments of approximately RMB2,153,584,000 (31 December 2022: RMB2,163,792,000) represented an amount paid for redevelopment project of certain land parcels in the PRC designated to a subsidiary of the Company by the local PRC government. The demolition work of redevelopment project has been completed.
- (x) As at 30 June 2023, the amount due from Zhonglian Real Estate and Wuhu Deye were RMB5.5 billion (31 December 2022: RMB10.6 billion), an impairment loss of RMB0.82 billion (31 December 2022: RMB2.75 billion) of this receivable balance was recognised in the consolidated statement of profit or loss for the period.

Regarding the above fund transfers with Zhonglian Real Estate and Wuhu Deye, management of the Company explained that the funds transferred to/from Wuhu Deye were actually made under a verbal trilateral agreement between the Company, Wuhu Deye and Sino-Ocean Capital (the "Funding Arrangements"). Fund transfers under the Funding Arrangements is unsecured, interest-free and repayable on demand whereas Sino-Ocean Capital provides corporate guarantee to the Company for the amount due from Wuhu Deye to the Group under the Funding Arrangements. It was also explained by the management of Sino-Ocean Capital that the Funding Arrangements were made for the purpose of providing funds to Sino-Ocean Capital for its working capital requirement and its investments in property development projects.

Movements on the provision for impairment of other receivables and prepayments are as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Opening amount at the beginning of period/year	(5,132,691)	(342,338)
Provision for receivable impairment	(11,097,463)	(4,794,421)
Write-off	187,669	4,068
Closing amount at the end of period/year	(16,042,485)	(5,132,691)

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The carrying amounts of the Group's trade and other receivables and prepayments are mainly denominated in RMB.

The carrying amounts of trade and other receivables and prepayments approximate their respective fair values as at 30 June 2023 and 31 December 2022.

15. SHARE CAPITAL

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:					
Opening balance at 1 January 2023	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance at 1 January 2023	(4,887,245)	–	–	(1,062)	(1,062)
Share purchased during the period	(2)	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	4,887,247	–	–	1,062	1,062
	–	–	–	–	–
At 30 June 2023	7,616,095,657	30,413,634	27,329,232	–	27,329,232

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:					
Opening balance at 1 January 2022	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance at 1 January 2022	(18,450,202)	–	–	(52,317)	(52,317)
Vesting of shares under Restricted Share Award Scheme	10,299,490	–	–	29,199	29,199
	(8,150,712)	–	–	(23,118)	(23,118)
At 30 June 2022	7,607,944,945	30,413,634	27,329,232	(23,118)	27,306,114

- (a) On 22 March 2010, the Board of the Company resolved to adopt a Restricted Share Award Scheme (the "Scheme"), the purpose of the Scheme is to recognise and motivate the contribution of certain employees and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The Scheme was administered by an independent trustee appointed by the Group, the trustee shall purchase from the market such number of shares awarded as specified by the Board of the Company and shall hold such shares until they are vested in accordance with the Restricted Share Award Scheme Rules. When the selected employee has satisfied all vesting conditions specified by the Board of the Company at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that employee.

15. SHARE CAPITAL (Continued)

Movements in the number of awarded shares for six months ended 30 June 2023 and 2022 are as follows:

	Restricted Shares (thousands)
At 1 January 2023	4,887
Vested	(4,887)
At 30 June 2023	–
At 1 January 2022	25,748
Vested	(10,299)
At 30 June 2022	15,449

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

16. CAPITAL SECURITIES

On 21 September 2017, Sino-Ocean Land Treasure III Limited ("Sino-Ocean Land III"), a wholly owned subsidiary, issued perpetual subordinated guaranteed capital securities ("capital securities"), which are redeemable only at the issuer's discretion, with initial aggregate principal amount of approximately USD600,000,000. As of 30 June 2023, the carrying amount of the capital securities amounted to approximately RMB4,499,401,000 (31 December 2022: RMB4,349,689,000).

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.900% till 21 September 2022, and then at a fixed rate per annum equal to the sum of (i) the then-prevailing U.S. Treasury rate and (ii) the spread till 21 September 2027. In respect of the period from 21 September 2022 to 20 September 2023, Sino-Ocean Land III should make a distribution at 6.946% per annum, as defined in the subscription agreement. Such capital securities are guaranteed by the Company.

17. CAPITAL INSTRUMENT

- (a) On 18 and 25 February 2020, Sino-Ocean Holding Group (China) Limited ("Sino-Ocean Holding"), a wholly owned subsidiary, issued capital instruments of principal amount of RMB3,378,000,000, which are callable only at the Sino-Ocean Holding's discretion. In 2022, Sino-Ocean Holding redeemed RMB2,000,000,000 of the capital instruments. As at 30 June 2023, the carrying amount of the capital instrument amounted to approximately RMB1,447,589,000. The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.
- (b) On 26 June 2019, Sino-Ocean Holding issued a capital instrument, which is callable only at the Company's discretion. As at 30 June 2023, the carrying amount of the capital instrument amounted to approximately RMB996,941,000. The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.

18. BORROWINGS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current	47,299,681	58,931,713
Current	44,616,353	38,091,736
	91,916,034	97,023,449

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At beginning of the period	97,023,449	92,224,462
New bank loans raised	1,996,804	9,340,721
Other loans raised (b)	3,904,657	4,830,884
Guaranteed notes issued	–	2,426,261
Bond issued	–	1,994,340
Acquisition of subsidiaries	1,939,000	1,095,000
Repayment of bank loans	(6,058,011)	(7,409,941)
Repayment of other loans	(7,268,514)	(11,678,160)
Disposal of subsidiaries	(1,089,562)	–
Currency translation differences	1,229,929	1,859,977
Changes of carrying value of corporate bonds and bank loans	238,282	68,388
At end of the period	91,916,034	94,751,932

(a) As at 30 June 2023, bank borrowings amounting to RMB14,194,818,000 (31 December 2022: RMB14,417,280,000) were secured by investment properties, property, plant and equipment, properties under development, completed properties held for sale and equity interest in certain subsidiaries of the Group.

(b) During the six months ended 30 June 2023, other loans amounting to RMB664,297,000 and RMB3,240,360,000 are raised from related parties and third parties, respectively. Such loans bear interests at rates ranging from 2.8% to 15.0% per annum.

During the six months ended 30 June 2022, other loans amounting to RMB830,000,000, RMB228,000,000 and RMB3,772,884,000 are raised from financial institutions, related parties, and third parties respectively. Such loans bear interests at rates ranging from 4.40% to 10.00% per annum

(c) Interest expense on borrowings for the six months ended 30 June 2023 amounted to approximately RMB2,688,973,000 (six months ended 30 June 2022: RMB2,418,098,000).

19. TRADE AND OTHER PAYABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade payables (a)	13,336,941	13,773,570
Accrued expenses	6,547,609	4,776,062
Amounts due to joint ventures (b)	7,134,002	7,708,753
Amounts due to associates (b)	901,308	915,288
Amounts due to non-controlling interests (b)	2,348,612	658,565
Amounts due to government	527,898	358,678
Other taxes payable	6,461,492	6,813,884
Deposits received	1,321,230	1,565,958
Provision for litigation (Note 27)	467,074	–
Other payables	8,348,562	8,367,445
	47,394,728	44,938,203
Less: non-current portion	(529,865)	(56,176)
Current portion	46,864,863	44,882,027

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 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 6 months	3,624,824	4,540,664
Between 6 months to 12 months	4,208,035	2,982,390
Between 1 year to 2 years	2,228,522	2,326,118
Between 2 years to 3 years	2,687,553	3,005,928
Over 3 years	588,007	918,470
	13,336,941	13,773,570

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

20. OTHER LOSSES — NET

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Fair value change of financial assets and financial liabilities at fair value through profit or loss	(446,624)	(213,711)
Exchange losses	(279,443)	(893,870)
Payment for the settlement of contracted obligations	(15,802)	(51,842)
(Losses)/gains on disposal of interests in subsidiaries	(61,382)	44,225
Gains/(losses) on disposal of joint ventures and associates	52,542	(56)
Gains on disposal of financial assets at fair value through profit or loss	24,015	—
Provision for litigation	(467,074)	—
Other gains	253	281
	(1,193,515)	(1,114,973)

21. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Interest expense:		
— Bank borrowings	1,035,170	819,223
— Other borrowings	1,653,803	1,598,875
— Lease liabilities	58,479	12,884
	2,747,452	2,430,982
Less: interest capitalised at a capitalisation rate of 5.78% (2022: 5.07%) per annum	(866,185)	(1,086,345)
	1,881,267	1,344,637

22. INCOME TAX EXPENSE

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 2023 and 2022. Other Group entities are mainly subject to Hong Kong profits tax.

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

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Current income tax:		
— PRC enterprise income tax	273,873	1,077,698
— PRC land appreciation tax	89,112	629,401
Deferred income tax	30,279	(62,056)
	393,264	1,645,043

23. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the 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.

	Unaudited Six months ended 30 June	
	2023	2022
Loss attributable to owners of the Company (RMB'000)	(18,369,229)	(1,087,353)
Weighted average number of ordinary shares in issue (thousands)	7,616,096	7,616,096
Basic loss per share (RMB per share)	(2.412)	(0.143)

23. LOSS PER SHARE (Continued)

(b) Diluted

Diluted 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: share options and shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the 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 exercise of the share options and awarded shares.

	Unaudited Six months ended 30 June	
	2023	2022
Loss attributable to owners of the Company (RMB'000)	(18,369,229)	(1,087,353)
Loss used to determine diluted loss per share (RMB'000)	(18,369,229)	(1,087,353)
Weighted average number of ordinary shares in issue (thousands)	7,616,096	7,616,096
Adjustment for:		
— Share options and shares held for the Restricted Share Award Scheme (thousands)	—	—
Weighted average number of ordinary shares for diluted loss per share (thousands)	7,616,096	7,616,096
Diluted loss per share (RMB per share)	(2.412)	(0.143)

24. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Final dividend paid of RMB nil (2022: RMB0.026) per ordinary share	—	198,018

25. FINANCIAL GUARANTEES

- (a) The Group had the following financial guarantees as 30 June 2023 and 31 December 2022:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	25,234,065	20,677,278

As at 30 June 2023 and 31 December 2022, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

- (b) As at 30 June 2023, the Group provided guarantees amounted to approximately RMB37,253,571,000 for borrowings of related parties and third parties (31 December 2022: RMB5,523,480,000). Assets owned by these parties are the primary collateral of such borrowings.

Several related parties and third parties are being sued in relation to those borrowings and hence the relevant subsidiaries of the Company being one of the defendants in those cases.

26. COMMITMENTS

(a) Capital commitments

Capital commitments at the balance sheet date but not yet incurred are as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Properties under development	6,387,361	6,669,612
Commitment of investments	3,271,205	2,956,388
Contracted but not provided for	9,658,566	9,626,000

(b) Commitments to a joint venture

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Commitments to provide funding to a joint venture for its investment properties development	8,642,400	8,662,694

(c) Operating lease rental receivables

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	418,721	375,204
Between 1 to 5 years	254,968	188,703
Over 5 years	2,072	2,612
	675,761	566,519

27. PROVISION FOR LITIGATIONS

Up to the date of this report, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of several projects and other matters. The Directors have assessed the impact of the above litigation matters on the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2023 and accrued provision on the Condensed Consolidated Interim Financial Statements of the Group. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations. The Directors consider that such litigations, individually or jointly, will not have significant adverse effects on the operating performance, cash flow and financial condition of the Group at the current stage.

28. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere, the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2023 and 2022:

(a) Provision of services

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Provision of services to:		
— A shareholder	964	18,664
— Joint ventures	582,622	779,162
— Associates	40,096	12,406
	623,682	810,232

Provision of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreement.

(b) Key management compensation

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Salaries and other short-term employee benefits	14,459	14,803
Post-employment benefits	957	1,050
Share-based payment	22	1,785
	15,438	17,638

28. RELATED PARTY TRANSACTIONS (Continued)

(c) Interest income

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Interest charged to:		
— Joint ventures	252,149	653,484
— Associates	501	156,942
	252,650	810,426

(d) Interest expense

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Interest charged by:		
— Joint ventures	142,505	5,213
— Associates	6,504	—
	149,009	5,213

(e) Entrusted loans to related parties

	As at	As at
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
— Joint ventures (Note 14(b))	5,027,506	4,281,355
— Associates (Note 14(b))	24,510	—
	5,052,016	4,281,355

28. RELATED PARTY TRANSACTIONS (Continued)

(f) Amounts due from related parties

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
— Joint ventures (Note 14(b))	26,841,324	26,402,974
— Associates (Note 14(b))	10,132,278	10,265,224
	36,973,602	36,668,198

(g) Amounts due to related parties

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
— Joint ventures (Note 19)	7,134,002	7,708,753
— Associates (Note 19)	901,308	915,288
	8,035,310	8,624,041

(h) Borrowing from related parties

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
— Joint ventures	3,744,594	3,328,237
— Associates	240,000	240,000
	3,984,594	3,568,237

(i) Investment in limited partners' share issued by an associate

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Fair value of investment in limited partners' share issued by an associate	2,083,102	1,712,329

28. RELATED PARTY TRANSACTIONS (Continued)

(j) Investment in capital instrument issued by associates

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Fair value of interests in capital instrument issued by associates	634,993	501,876

29. SUBSEQUENT EVENTS

Internal restructuring of assets

On 21 July 2023, SOG China and Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司) ("Ocean Homeplus", a wholly-owned subsidiary of Sino-Ocean Service and a 67.57% owned subsidiary of the Company) entered into a parking spaces transfer framework agreement and a commercial properties transfer framework agreement in relation to the acquisition by Ocean Homeplus and its subsidiaries from SOG China and its subsidiaries of 4,961 parking spaces and 168 commercial properties (with a total gross floor area of approximately 12,901 sq.m. in aggregate) in the PRC (collectively, the "Target Assets") respectively (the "Assets Transfer"). The aggregate consideration for the Assets Transfer was RMB626,350,000, which shall be offset against the refundable deposit receivables due from the Group (for the avoidance of doubt, excluding the Sino-Ocean Service Group) to the Sino-Ocean Service Group in its entirety.

The Assets Transfer is in substance an internal restructuring of assets of the Group. Upon completion of the Assets Transfer, the financial results of the Target Assets will continue to be consolidated into the financial statements of the Group. The Assets Transfer has not been completed as at the Latest Practicable Date.

Details of the Assets Transfer have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 21 July 2023.

LIST OF PROJECT NAMES

Our list of project names as at 30 June 2023 is set out as follows:

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
1	Beijing Region	Beijing	安貞項目(北京)	Anzhen Project (Beijing)		
2			國譽萬和城(北京)	Captain House (Beijing)		
3			CBD Z6地塊(北京)	CBD Plot Z6 (Beijing)		
4			中央峰匯(北京)	Central Peak (Beijing)	昌平未來科技城F2項目	Changping Sci-tech Park F2 Project
5			銀網中心(北京)	E-wing Center (Beijing)		
6			金悅府(北京)	Gold Mansion (Beijing)	大興黃村0901地塊	Huangcun 0901 Plot, Daxing District
7			遠洋樂堤港(北京)	Grand Canal Place (Beijing)	遠洋新光中心	Ocean Shinkong Center
8			萬和斐麗(北京)	Grand Harmony Emerald Residence (Beijing)		
9			若丘(北京)	Hilltime (Beijing)	門頭溝潭柘寺項目	Mentougou Tanzhe Temple Project
10			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
11			頤堤港二期(北京)	INDIGO II (Beijing)		
12			頤璟萬和(北京)	Jasper Epoch (Beijing)		
13			順義住利華項目(北京)	Jialihua Project, Shunyi District (Beijing)		
14			房山良鄉項目(北京)	Liangxiang Project (Beijing)		
15			密之雲項目(北京)	Mizhiyun Project (Beijing)		
16			遠洋盈創健康產業園(北京)	Ocean Incom (Beijing)		
17			遠洋國際中心(北京)	Ocean International Center (Beijing)		
18			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
19			遠洋LA VIE(北京)	Ocean LA VIE (Beijing)		
20			遠洋沁山水(北京)	Ocean Landscape Eastern Area (Beijing)	遠洋沁山水E02/03項目	Ocean Landscape Eastern Area E02/03 Project
21			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
22			遠洋光華國際(北京)	Ocean Office Park (Beijing)		
23			遠洋大廈(北京)	Ocean Plaza (Beijing)		
24			遠洋源山春秋(北京)	Ocean Poetic Dwelling (Beijing)	石景山區劉娘府A2地塊	Liuniangfu Plot A2, Shijingshan District
25			遠洋五里春秋(北京)	Ocean Wulieepoch (Beijing)	石景山五里坨組團一地塊	Wulituo Plot, Shijingshan District
26			遠洋新仕界(北京)	Our New World (Beijing)	遠洋春天著	Ocean Spring
27			門頭溝新城6002地塊(北京)	Plot 6002, Mentougou New Town (Beijing)		
28			天瑞宸章(北京)	Royal River Villa (Beijing)		
29			順義物流項目(北京)	Shunyi Logistics Project (Beijing)		
30			遠洋春秋里(北京)	Sino-Ocean Apple Garden No. 6 (Beijing)		
31			華樹國際(北京)	World View (Beijing)		
32			禧瑞春秋(北京)	Xanadu & Ocean Epoch (Beijing)		
33			禧瑞天著(北京)	Xanadu & Ocean Palace (Beijing)	經開區G2R1地塊	Yizhuang EDA Plot G2R1
34			通州西集E地塊(北京)	Xiji Plot E, Tongzhou District (Beijing)		
35			信馳大廈(北京)	Xinchi Tower (Beijing)	亦莊汽車大廈項目	Yizhuang Motor Tower Project

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
36			亦莊正元數據中心(北京)	Yizhuang Zhengyuan Internet Data Center (Beijing)		
37			雍景桃源項目(北京)	Yongjingtaoyuan Project (Beijing)		
38		Shijiazhuang	安德紀念公園(石家莊)	Ande Memorial Park (Shijiazhuang)	福祐生命紀念公園	Blessing Life Memorial Park
39			遠洋風景長安(石家莊)	Family Park (Shijiazhuang)		
40			遠洋風景長安二期(石家莊)	Family Park, Phase II (Shijiazhuang)		
41			藁城物流項目(石家莊)	Gaocheng Logistics Project (Shijiazhuang)		
42			萬和學府(石家莊)	Harmony Palace (Shijiazhuang)	正定新區004項目	Zhengding New District Project
43			瑾園·上府(石家莊)	Ocean Home Park (Shijiazhuang)	福美瑾園二期	Jade Mansion, Phase II
44			遠洋7號(石家莊)	Sino-Ocean No. 7 (Shijiazhuang)		
45			遠洋晟庭(石家莊)	Vigorous Mansion (Shijiazhuang)	長安區015號地	Chang'an District Plot 015
46		Taiyuan	天悅(太原)	Glory Mansion (Taiyuan)		
47			解放路愛琴海購物公園(太原)	Jiefang Road Aegean Place (Taiyuan)		
48			遠洋萬和公館(太原)	Ocean Crown (Taiyuan)		
49			遠洋萬和四季(太原)	Ocean Seasons (Taiyuan)		
50			天鉅(太原)	Sky Masion (Taiyuan)		
51			天潤(太原)	Sky of Palace (Taiyuan)		
52			晉春秋(太原)	Villa Epoch (Taiyuan)		
53			王家峰愛琴海購物公園(太原)	Wangjiafeng Aegean Place (Taiyuan)		
54		Qinhuangdao	遠洋蔚藍海岸(秦皇島)	Seatopia (Qinhuangdao)		
55		Langfang	京畿禮宮(廊坊)	Capital Palace (Langfang)		
56			經開物流項目(廊坊)	Jingkai Logistics Project (Langfang)		
57			遠洋光華城(廊坊)	Ocean Brilliant City (Langfang)	遠洋琨庭	Sino-Ocean Brilliant Courtyard
58			廣陽物流項目地塊一(廊坊)	Plot I, Guangyang Logistics Project (Langfang)		
59			廣陽物流項目地塊二(廊坊)	Plot II, Guangyang Logistics Project (Langfang)		
60			燕郊三河數據中心(廊坊)	Yanjiao Sanhe Internet Data Center (Langfang)		
61		Zhangjiakou	遠洋尚東萬和(張家口)	Centrality Mansion (Zhangjiakou)	橋東區東山天地項目	Qiaodong District Dongshantiandi Project
62		Tangshan	遠洋山水(唐山)	Ocean Landscape (Tangshan)	高新區孫家莊A01地塊	Sunjiazhuang Plot A01, High-tech Zone
63		Jinzhong	天鉅(晉中)	Sky Masion (Jinzhong)		
64	Bohai Rim Region	Tianjin	空港物流項目(天津)	Airport Logistics Project (Tianjin)		
65			寶坻產業園(天津)	Baodi Industrial Park (Tianjin)	遠澤寶坻物流園	Sino-Fusion Baodi Logistics Park
66			北辰物流項目(天津)	Beichen Logistics Project (Tianjin)		
67			博大奶牛場項目(天津)	Boda Logistics Project (Tianjin)		
68			京畿鼎園(天津)	Capital Palace (Tianjin)		
69			生態城愛琴海購物公園(天津)	Eco-city Aegean Place (Tianjin)		
70			悅光年(天津)	Happy Light Year (Tianjin)	汽車世界	Autoworld
71			河東愛琴海購物公園(天津)	Hedong Aegean Place (Tianjin)		
72			靜海物流項目(天津)	Jianghai Logistics Project (Tianjin)		
73			薊縣愛琴海購物公園(天津)	Jixian Aegean Place (Tianjin)		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
74			未來城 (天津)	Neo-metropolis (Tianjin)	北辰宜興埠項目	Yixingbu Project, Beichen District
75			遠洋 寬闊時光 (天津)	Ocean Fantastic Time (Tianjin)		
76			遠洋國際中心 (天津)	Ocean International Center (Tianjin)		
77			遠洋潮起東方 (天津)	Ocean Orient (Tianjin)		
78			遠洋未來匯 (天津)	Ocean We-life (Tianjin)		
79			遠洋未來廣場 (天津)	Ocean We-life Plaza (Tianjin)		
80			遠洋琨庭 (天津)	Sino-Ocean Brilliant Courtyard (Tianjin)		
81			天鉞 (天津)	Sky Masion (Tianjin)		
82			天鉞灣 (天津)	Sky Masion Bay (Tianjin)		
83			天津空港南物流項目 (天津)	Southend Airport Logistics Project (Tianjin)		
84			鯤棲府 (天津)	The Great Habitat Mansion House (Tianjin)	華明項目	Huaming Project
85			博嶼海 (天津)	UPED (Tianjin)		
86			天津空港西物流項目 (天津)	Westend Airport Logistics Project (Tianjin)		
87			海納府 (天津)	Xanadu (Tianjin)	濱海新區生態城5號地塊	Binhai New Area Eco-Town Plot 5
88	Qingdao		遠洋萬和雲璟 (青島)	Ocean Glory (Qingdao)	市北區海泊河地塊	Haibohe Plot, Shibei District
89			遠洋萬和城 (青島)	Sino-Ocean Harmony (Qingdao)		Ocean Great Harmony
90			遠洋山水 (青島)	Sino-Ocean Landscape (Qingdao)		
91	Jinan		愛琴海購物公園 (濟南)	Aegean Place (Jinan)		
92			遠洋 寬闊時光 (濟南)	Fantastic Time (Jinan)		
93			明湖之光	Minghu Mansion (Jinan)	天橋區北湖西側A地塊	Beihu West Plot A, Tianqiao District
94			明湖風景	Minghu Prospect (Jinan)	天橋區北湖A-6地塊	Beihu Plot A-6, Tianqiao District
95			遠洋萬和公館 (濟南)	Ocean Crown (Jinan)	槐蔭區經十一路B4地塊	Jing 11 Road Plot B4, Huaiyin District
96			遠洋天著春秋 (濟南)	Ocean Epoch (Jinan)	唐冶項目	Tangye Project
97			萬和府 (濟南)	Ocean Mansion (Jinan)	遠祥萬和府	
98			遠洋潮起東方 (濟南)	Ocean Orient (Jinan)	唐冶中路以東、橫四路以南地塊	Plots in East of Tangye Middle Road and South of Hengsi Road
99			遠洋鳳棲翰林 (濟南)	Ocean Precious Land (Jinan)	歷城區趙家莊項目	Zhaojiazhuang Project, Licheng District
100			遠洋湖印都會 (濟南)	Sino-Ocean Metropolis (Jinan)		
101			天鉞 (濟南)	Sky Masion (Jinan)		
102	Dalian		遠洋鑽石灣 (大連)	Diamond Bay (Dalian)		
103			悅和山海 (大連)	Joy of Mountain and Sea (Dalian)		
104			遠洋潮起東方 (大連)	Ocean Orient (Dalian)	遠洋第五季	Ocean Season Five
105			遠洋塔河灣 (大連)	Ocean Tower River Bay (Dalian)	旅順口區塔河灣地塊	Tahewan Plot, Lvshunkou District
106			中華路2號地 (大連)	Zhonghua Road Plot #2 (Dalian)	遠洋溫德姆至尊豪庭大酒店	Wyndham Grand Plaza Royale Sino-Ocean
107	Shenyang		百利保大廈 (瀋陽)	Bailibao Plaza (Shenyang)		
108			遠洋·上河風景 (瀋陽)	Ocean Elite River Prospect (Shenyang)		
109			遠洋鯤棲府 (瀋陽)	Ocean Noble Mansion (Shenyang)		
110	Changchun		夢吉林 (長春)	Dream Jilin (Changchun)	觀棠源築	Guantangyuanzhu
111	Harbin		威尼斯莊園 (哈爾濱)	Venice Manor (Harbin)		
112	Anshan		國際廣場 (鞍山)	International Plaza (Anshan)		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)	
113	Eastern Region	Shanghai	寶山天鉞 (上海)	Baoshan Sky Masion (Shanghai)			
114			中城國際大廈 (上海)	CURA International Center (Shanghai)			
115			H88越虹廣場 (上海)	H88 Yuehong Plaza (Shanghai)			
116			海興廣場 (上海)	Haixing Plaza (Shanghai)			
117			遠洋·虹橋萬和源 (上海)	Hongqiao Origin (Shanghai)			
118			臨港愛琴海購物公園 (上海)	Lingang Aegean Place (Shanghai)			
119			臨港天鉞 (上海)	Lingang Sky Masion (Shanghai)			
120			東灘·海上明月 (上海)	Moon Mirage (Shanghai)	東灘花園	Dongtan Villa	
121			遠洋財富中心 (上海)	Ocean Fortune Center (Shanghai)			
122			萬和昊美項目 (上海)	Onehome Art Project (Shanghai)			
123			遠洋商業大廈 (上海)	Sino-Ocean Tower (Shanghai)	東海商業中心	East Ocean Center	
124			元博酒店項目 (上海)	Yuanbo Hotel Project (Shanghai)			
125			Hangzhou	遠洋樂堤港 (杭州)	Grand Canal Place (Hangzhou)		
126				雁望 (軒) Neo1 (杭州)	Neo 1 (Hangzhou)	雁望Neo1	
127				宸章新邸 (杭州)	Ocean New Masterpiece (Hangzhou)	拱墅區祥符地塊	Xiangfu Plot, Gongshu District
128			Nanjing	南京空港項目 (南京)	Nanjing Airport Project (Nanjing)		
129				遠洋萬和四季 (南京)	Ocean Seasons (Nanjing)		
130				遠洋萬和方山望 (南京)	The One (Nanjing)		
131			Suzhou	愛琴海購物公園 (蘇州)	Aegean Place (Suzhou)		
132	崑山玉山物流項目 (蘇州)	Kunshan Yushan Logistics Project (Suzhou)					
133	萬和悅花園 (蘇州)	Mansion Yue (Suzhou)					
134	洛克公園 (蘇州)	Rocker Park (Suzhou)					
135	萬和四季 (蘇州)	Royal Seasons (Suzhou)		太倉港區項目	Ocean Melody		
136	遠洋·風景東方 (蘇州)	Scenert East (Suzhou)		張家港市高新區地塊	Plot in High-tech Zone, Zhangjiagang		
137	盛澤天鉞 (蘇州)	Shengze Sky Masion (Suzhou)					
138	石湖項目 (蘇州)	Shihu Project (Suzhou)					
139	太倉沙溪物流項目一 (蘇州)	Taicang Shaxi Logistics Project I (Suzhou)		沙溪物流項目	Shaxi Logistics Project		
140	太倉沙溪物流項目二 (蘇州)	Taicang Shaxi Logistics Project II (Suzhou)					
141	望亭物流項目 (蘇州)	Wangting Logistics Project (Suzhou)					
142	張家港數據中心 (蘇州)	Zhangjiagang Internet Data Center (Suzhou)					
143	張家港物流項目 (蘇州)	Zhangjiagang Logistics Project (Suzhou)					
144	Ningbo	余姚供應鏈產業園 (寧波)	Yuyao Supply Chain Industrial Park (Ningbo)	遠澤余姚泗門物流園	Sino-Fusion Yuyao Simen Logistics Park		
145	Wuxi	公園裡 (無錫)	Life in Park (Wuxi)				
146		靈樾 (無錫)	One Residence (Wuxi)	新吳區梅村地塊	Meicun Plot, Xinwu District		
147		天鉞 (無錫)	Sky Masion (Wuxi)				
148	Nantong	星銀海城市客廳 (南通)	Star City (Nantong)				
149	Changzhou	愛琴海購物公園 (常州)	Aegean Place (Changzhou)				
150		國際廣場 (常州)	International Plaza (Changzhou)				
151	Xuzhou	賈旺產業園 (徐州)	Jiawang Industrial Park (Xuzhou)	賈旺物流項目	Jiawang Logistics Project		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
152		Wenzhou	愛琴海購物公園(溫州)	Aegean Place (Wenzhou)		
153			濱海天鉅(溫州)	Binhai Sky Masion (Wenzhou)		
154			遠洋萬和樾(溫州)	Center Mansion (Wenzhou)	樂清市中心區ZX-14a-1地塊	Plot ZX-14a-1, Central District, Leqing
155			遠洋山海萬和(溫州)	Center Mansion (Wenzhou)	遠洋山海萬和園	Shan Hai One
156			遠洋四季宸章(溫州)	Four Seasons Mansion (Wenzhou)	龍灣區11-E-05地塊	Plot 11-E-05, Longwan District
157			遠洋泊雲庭(溫州)	Harbor Heart (Wenzhou)		
158			半島九號(溫州)	Peninsula No. 9 (Wenzhou)		
159		Yangzhou	美居生活廣場(揚州)	Home Furniture Mall (Yangzhou)		
160			天鉅(揚州)	Sky Masion (Yangzhou)		
161		Jiaxing	平湖物流項目(嘉興)	Pinghu Logistics Project (Jiaxing)		
162		Jinhua	瀾山院子(金華)	Mountain Courtyard (Jinhua)		
163		Zhenjiang	遠洋心裡(鎮江)	Central Mansion(Zhenjiang)		
164		Huai'an	國際廣場(淮安)	International Plaza (Huai'an)		
165		Suqian	愛琴海購物公園(宿遷)	Aegean Place (Suqian)		
166			沐陽愛琴海購物公園(宿遷)	Shuyang Aegean Place (Suqian)		
167			沐陽天鉅(宿遷)	Shuyang Sky Masion (Suqian)		
168			天鉅(宿遷)	Sky Masion (Suqian)		
169		Huzhou	安吉數據中心(湖州)	Anji Internet Data Center (Huzhou)		
170	Southern Region	Shenzhen	龍華區德愛電子廠項目(深圳)	Longhua District De Ai Industrial Park (Shenzhen)		
171			遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
172			遠洋天祺(深圳)	Ocean Filter (Shenzhen)		
173			遠洋觀山海(深圳)	Ocean Glitter (Shenzhen)	荔山項目	Lishan Project
174			遠洋天環(深圳)	Ocean Purity (Shenzhen)		Ocean Forecast
175			遠洋濱海大廈(深圳)	Ocean Seafont Towers (Shenzhen)	遠洋廣場	Ocean Plaza
176			天和(深圳)	Peace Palace (Shenzhen)		
177			山廈項目(深圳)	Shanxia Project (Shenzhen)		
178		Guangzhou	東灣(廣州)	East Bay (Guangzhou)	朱村街鳳崗村項目	Fenggangcun, Zhucun Street Project
179			遠洋天驕(廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
180			芙蓉墅(廣州)	Hibiscus Villa (Guangzhou)	芙蓉墅項目	Hibiscus Villa Project
181			花都產業園項目(廣州)	Huadu Industrial Park Project (Guangzhou)		
182			遠洋天成(廣州)	Natural Mansion (Guangzhou)		
183			遠洋風景(廣州)	Ocean Prospect (Guangzhou)		
184		Fuzhou	愛琴海購物公園(福州)	Aegean Place (Fuzhou)		
185			遠洋天賦(福州)	Ocean Tianfu (Fuzhou)	倉山區2020-65號地塊	Plot 2020-65, Cangshan District
186		Foshan	漫悅灣(佛山)	Delight River (Foshan)		
187			風景(佛山)	Landscape (Foshan)	順德區勒流地塊	Leliu Plot, Shunde District
188			天成(佛山)	Natural Mansion (Foshan)		
189		Quanzhou	水墨風景(泉州)	Ocean Prospect (Quanzhou)		
190		Xiamen	遠洋風景(廈門)	Ocean Prospect (Xiamen)	同安區城南片區地塊	Chengnan Plot, Tong'an District
191		Zhangzhou	星海天宸(漳州)	Sea and Star (Zhangzhou)		
192		Maoming	遠洋山水(茂名)	Sino-Ocean Landscape (Maoming)		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
193		Jiangmen	雲著 (江門)	Cloud Mansion (Jiangmen)		
194			遠洋天成 (江門)	Top Mansion (Jiangmen)		
195		Zhongshan	遠洋繁花里 (中山)	Blossoms Valley (Zhongshan)	神灣項目	Shenwan Project
196			遠洋天成 (中山)	Natural Mansion (Zhongshan)		
197			遠洋天著 (中山)	Ocean Palace (Zhongshan)	中山天著	
198			遠洋山水 (中山)	Sino-Ocean Landscape (Zhongshan)		
199		Zhanjiang	遠洋城 (湛江)	Ocean City (Zhanjiang)		
200		Sanya	遠洋山海 (三亞)	Ocean Hill (Sanya)		Ocean Treasure
201		Hong Kong	南嶼嵩林 (香港)	Mt. La Vie (Hong Kong)	長沙項目	Cheung Sha Project
202			九龍城衙前壆道項目 (香港)	Nga Tsin Long Road Project, Kowloon City (Hong Kong)		
203			千望 (香港)	Uptify (Hong Kong)	旺角煙廠街項目	Yin Chong Street Project, Mongkok
204	Central Region	Wuhan	愛琴海購物公園 (武漢)	Aegean Place (Wuhan)		
205			蔡甸物流項目 (武漢)	Caidian Logistics Project (Wuhan)		
206			遠洋裡 (武漢)	Citylane (Wuhan)		
207			東西湖物流項目 (武漢)	Dongxihu Logistics Project (Wuhan)		
208			東西湖新溝物流項目 (武漢)	Dongxihu Xingou Logistics Project (Wuhan)		
209			華中大數據產業園 (武漢)	Huazhong Big Data Industrial Park (Wuhan)	武漢江夏區IDC項目	
210			江夏物流項目 (武漢)	Jiangxia Logistics Project (Wuhan)		
211			遠洋東方境世界觀 (武漢)	Oriental World View (Wuhan)	漢陽區歸元寺項目	Hanyang District Guiyuan Temple
212			東方境世界觀2期 (武漢)	Oriental Worldview II (Wuhan)	漢陽區鍾家村地塊	Zhongjiacun Plot, Hanyang District
213			遠洋長江樽 (武漢)	Yangtze Opus (Wuhan)	江岸區艷陽天項目	Yanyangtian Project, Jiang'an District
214		Zhengzhou	楓丹宸悅 (鄭州)	Fontaine Polaris (Zhengzhou)		
215			天悅 (鄭州)	Glory Mansion (Zhengzhou)		
216			榮寓 (鄭州)	Grand Apartment (Zhengzhou)		
217			遠洋沁園 (鄭州)	Ocean Landscape Courtyard (Zhengzhou)	遠洋沁園山水	
218			遠洋萬和四季 (鄭州)	Ocean Melody (Zhengzhou)	綠博113號地	Lybo Plot 113
219			遠洋風景 (鄭州)	Ocean Prospect (Zhengzhou)	新鄭市龍湖鎮107國道項目	107 Road Project, Longhu Town
220			榮府 (鄭州)	Rong Fu (Zhengzhou)		
221			遠洋臻園 (鄭州)	The Collection (Zhengzhou)	臻園	Ideal House
222		Hefei	合肥物流項目I期 (合肥)	Hefei Logistics Project, Phase I (Hefei)		
223			合肥物流項目II期 (合肥)	Hefei Logistics Project, Phase II (Hefei)		
224			合肥物流項目III期 (合肥)	Hefei Logistics Project, Phase III (Hefei)		
225			合肥物流項目IV期 (合肥)	Hefei Logistics Project, Phase IV (Hefei)		
226			遠洋星悅 (合肥)	Ideal Bourn (Hefei)	肥東縣FD202102地塊	Plot FD202102, Feidong County
227			遠洋萬和雲錦 (合肥)	Ocean Glory (Hefei)	肥東縣FD18-13地塊	Feidong FD18-13 Project
228			遠洋廬玥風景 (合肥)	Ocean Landscape (Hefei)		
229			經開區芙蓉路西地塊 (合肥)	West Furong Road Plot, Jingkai District (Hefei)		
230		Changsha	愛琴海購物公園 (長沙)	Aegean Place (Changsha)		
231			天鉅 (長沙)	Sky Masion (Changsha)		
232			湘江公館 (長沙)	Special Mansion (Changsha)		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
233		Nanchang	愛琴海購物公園 (南昌)	Aegean Place (Nanchang)		
234			雲璟 (南昌)	Cloud View (Nanchang)		
235			遠洋天著 (南昌)	Ocean Palace (Nanchang)	灣里區178項目	Wanli 178 Project
236			九灣天鉞 (南昌)	Sky Masion (Nanchang)		
237		Ganzhou	愛琴海購物公園 (贛州)	Aegean Place (Ganzhou)		
238			天鉞 (贛州)	Sky Masion (Ganzhou)		
239	Western Region	Chengdu	遠洋森海境 (成都)	Ocean Ecological Land (Chengdu)	新都区新都新城地塊	Xindu New Town Plot, Xindu District
240			遠洋香匯 (成都)	Ocean Luxury City (Chengdu)	青羊項目	Qinyang Project
241			青白江數據中心A區 (成都)	Qingbaijiang Internet Data Center, Zone A (Chengdu)	青白江數據中心	Qingbaijiang Internet Data Center
242			青白江數據中心C區 (成都)	Qingbaijiang Internet Data Center, Zone C (Chengdu)	遠雲信飛數據中心	Yuanyunxinfei Internet Data Center
243			青白江物流項目 (成都)	Qingbaijiang Logistics Project (Chengdu)		
244			溫江數據中心 (成都)	Wenjiang Internet Data Center (Chengdu)		
245		Chongqing	重慶物流項目I期 (重慶)	Chongqing Logistics Project, Phase I (Chongqing)		
246			重慶物流項目II期 (重慶)	Chongqing Logistics Project, Phase II (Chongqing)		
247			楓樺四季 (重慶)	Fenghua Melody (Chongqing)	重慶大學城項目	Chongqing College Town Project
248			楓丹江嶼 (重慶)	Fontaine Island (Chongqing)	茶園項目	Chayuan Project
249			江津物流項目 (重慶)	Jiangjin Logistics Project (Chongqing)		
250			兩江新區數據中心 (重慶)	Liangjiang New Town Internet Data Center (Chongqing)		
251			玖悅蘭庭 (重慶)	Life In Art Dist (Chongqing)	九龍坡區灘子口地塊	Tanzikou Plot, Jiulongpo District
252			遠洋山水賦 (重慶)	Poetry of Landscape (Chongqing)		
253			遠洋公園 (重慶)	Sino-Ocean Garden (Chongqing)	遠洋高爾夫國際社區	Sino-Ocean International Golf Resort
254		Xi'an	愛琴海購物公園 (西安)	Aegean Place (Xi'an)		
255			楓丹唐悅 (西安)	Emperor Chic (Xi'an)	趙村項目	Zhaocun Project
256			楓丹江嶼 (西安)	Fontaine Island (Xi'an)		
257			遠洋未央華府 (西安)	Ocean Mansion (Xi'an)	王家棚DK1地塊	Plot DK1, Wangjiapeng
258			秦漢產業園 (西安)	Qinhan Logistics Center (Xi'an)	秦漢新城物流項目	Qinhanxincheng Logistics Project
259			遠洋御山水 (西安)	Sino-Ocean Royal Landscape (Xi'an)		
260			天鉞 (西安)	Sky Masion (Xi'an)		
261			咸陽物流項目 (西安)	Xianyang Logistics Project (Xi'an)		
262		Kunming	遠洋新幹線 (昆明)	In Galaxy (Kunming)	呈貢大學城項目	Chenggong Project
263			遠洋新幹線 (昆明)	In Galaxy (Kunming)	呈貢大學城二期項目	Chenggong Project, Phase II
264		Guiyang	遠洋萬和世家 (貴陽)	Sino-Ocean Aristocratic Family (Guiyang)		
265			遠洋風景 (貴陽)	Sino-Ocean Prospect (Guiyang)		
266			觀山天鉞 (貴陽)	Sky Masion (Guiyang)		
267			觀山天鉞商業 (貴陽)	Sky Masion, Retail (Guiyang)		
268		Urumqi	觀山著 (烏魯木齊)	Natural Century (Urumqi)	天麓	Mansion Hills
269			天御 (烏魯木齊)	Royal Mansion (Urumqi)		
270			天鉞 (烏魯木齊)	Sky Masion (Urumqi)		
271			天闕 (烏魯木齊)	Sky Palace (Urumqi)		

No.	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
272		Lanzhou	天鉞 (蘭州)	Sky Masion (Lanzhou)		
273		Liuzhou	愛琴海購物公園 (柳州)	Aegean Place (Liuzhou)		
274			天悅 (柳州)	Glory Mansion (Liuzhou)		
275		Luzhou	天鉞 (瀘州)	Sky Masion (Luzhou)		
276		Xining	愛琴海購物公園 (西寧)	Aegean Place (Xining)		
277			天鉞 (西寧)	Sky Masion (Xining)		
278			天闕 (西寧)	Sky Palace (Xining)		
279		Xishuangbanna	雨林源築 (西雙版納)	Rainforest Resorts (Xishuangbanna)		
280		Qiannan	貴陽物流項目I期 (黔南)	Guiyang Logistics Project, Phase I (Qiannan)		
281			貴陽物流項目II期 (黔南)	Guiyang Logistics Project, Phase II (Qiannan)		
282	USA		加州資產包 (美國)	California Asset Package (USA)		
283			三藩市項目 (美國)	San Francisco Project (USA)		
284	Singapore		禧盈軒 (新加坡)	Cairnhill 16 (Singapore)	禧盈峰	Cairnhill Heights
285	Indonesia		大雅加達項目 (印尼)	Auraya (Indonesia)		Alam Sutera Project

GLOSSARY

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“2018 Option Scheme”	the share option scheme approved and adopted by the shareholders of the Company on 6 August 2018
“Audit Committee”	the audit committee of the Company
“Award Scheme”	the restricted share award scheme adopted by the Board on 22 March 2010
“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 14 to the Listing Rules
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China
“China Life Group”	China Life Insurance (Group) Company, a company established under the laws of the PRC, being the controlling shareholder of China Life Insurance, which in turn is a substantial shareholder of the Company
“China Life Insurance”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Stock Exchange (Stock Code: 02628.HK) and The Shanghai Stock Exchange (Stock Code: 610628.SE) respectively, being a substantial shareholder of the Company
“Code of Conduct”	the code of conduct regarding Director’s securities transactions adopted by the Company
“Company” or “Sino-Ocean Group”	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)
“Company Secretary”	the company secretary of the Company
“Dajia Insurance Group”	Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司), a company established under the laws of the PRC, being the controlling shareholder of Dajia Life Insurance, which in turn is a substantial shareholder of the Company
“Dajia Life Insurance”	Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), a company established under the laws of the PRC, being a substantial shareholder of the Company
“Director(s)”	director(s) of the Company
“ED(s)” or “Executive Director(s)”	executive director(s) of the Company
“ESG”	environment, social and governance
“GFA”	gross floor area
“Group” or “we”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong” or “HKSAR”	Hong Kong Special Administrative Region of the PRC
“INED(s)” or “Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	4 September 2023, being the latest practicable date prior to the issue of this interim report
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“NED(s)” or “Non-executive Director(s)”	non-executive director(s) of the Company
“net gearing ratio”	total borrowings less total cash resources divided by total equity
“Nomination Committee”	the nomination committee of the Company
“Qiannan”	Qiannan Buyi and Miao Autonomous Prefecture
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“RSS Adoption Date”	22 March 2010, being the date on which the Award Scheme was adopted by the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company with no nominal value
“Shareholder(s)”	shareholder(s) 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), which is a non wholly-owned subsidiary of the Company
“Sino-Ocean Service Group”	Sino-Ocean Service and its subsidiaries
“SOG China”	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
“Strategic and Investment Committee”	the strategic and investment committee of the Company
“USD”	United States dollars, the lawful currency of the United States
“Xishuangbanna”	Xishuangbanna Dai Autonomous Prefecture
“YoY”	year-on-year
“%”	per cent

Note:

In this interim report, the English names of the entities marked with “” are translations of their Chinese names, and are included herein for identification purposes only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

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