遠洋集團
SINO-OCEAN GROUP

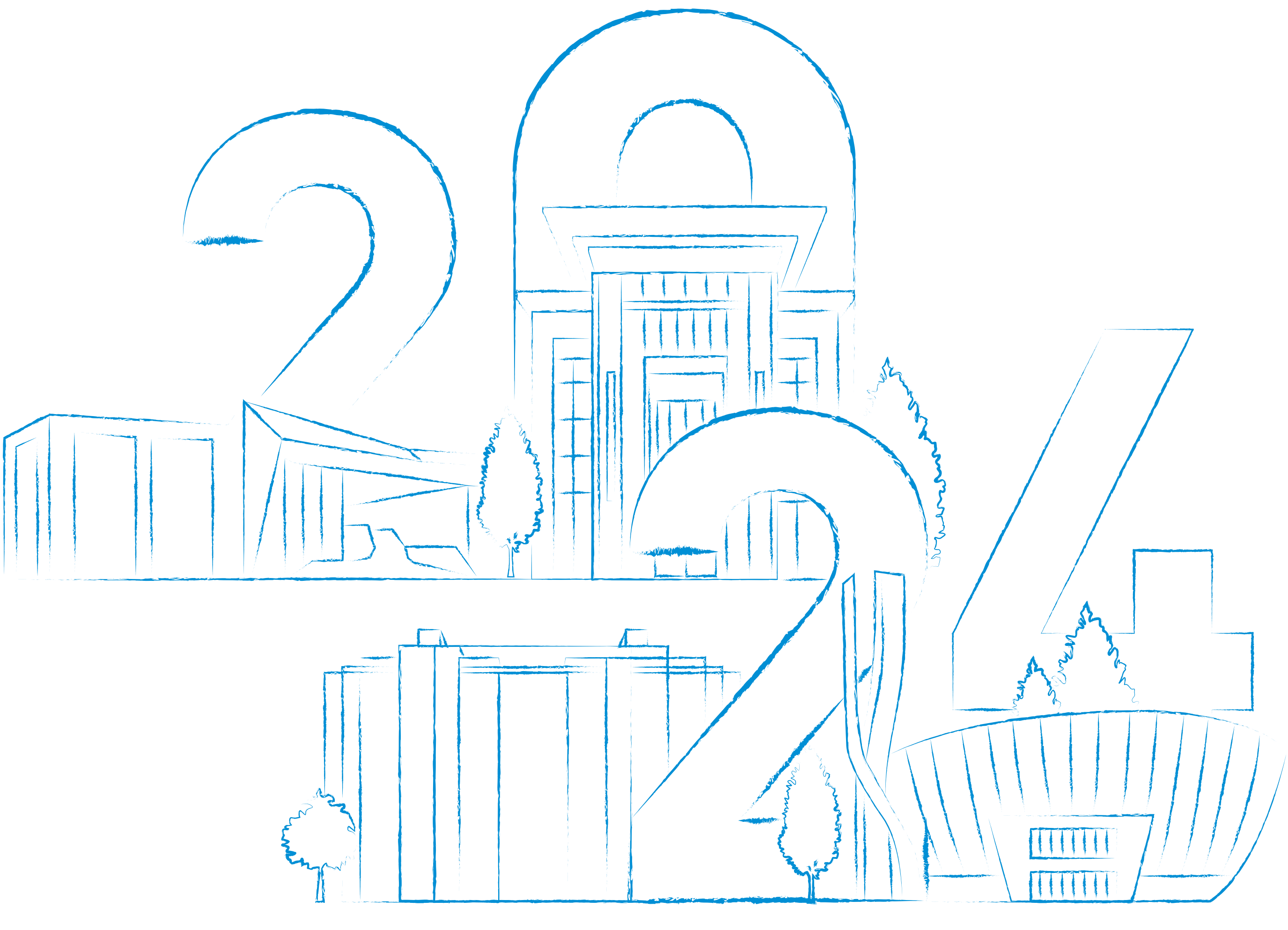
2024
INTERIM REPORT

SINO-OCEAN

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



WHOLEHEARTED COMMITMENT, EMBRACING NEW RESPONSIBILITIES

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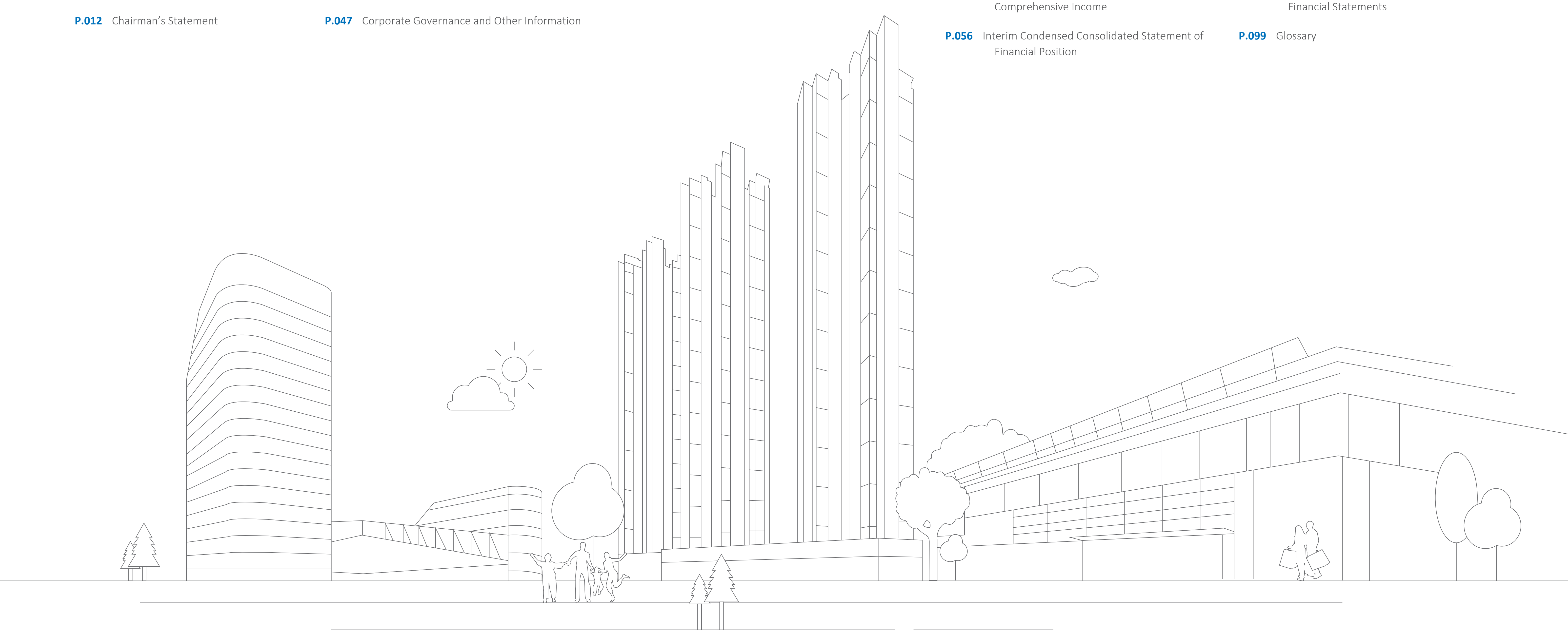


ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited 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.

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 fund, etc., forming a unique advantage in the field of asset-light agent construction. 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 around 260 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 2024, we had a land reserve of around 34 million sq.m.

Center Mansion (Wenzhou)

CORPORATE INFORMATION

The corporate information of Sino-Ocean Group as of the Latest Practicable Date was 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. LYU Hongbin
Mr. LIU Jingwei
Mr. JIANG Qi
Mr. CHEN Guogang

Audit Committee

Mr. LIU Jingwei *(Chairman of committee)*
Mr. ZHAO Peng
Mr. YU Zhiqiang
Mr. LYU Hongbin
Mr. CHEN Guogang

Nomination Committee

Mr. LI Ming *(Chairman of committee)*
Mr. SUN Jinfeng
Mr. HAN Xiaojing
Mr. JIANG Qi
Mr. CHEN Guogang

Remuneration Committee

Mr. HAN Xiaojing *(Chairman of committee)*
Ms. CHAI Juan
Mr. LYU Hongbin
Mr. JIANG Qi

Strategic and Investment Committee

Mr. LI Ming *(Chairman of committee)*
Mr. WANG Honghui
Mr. CUI Hongjie
Mr. ZHANG Zhongdang
Mr. SUN Jinfeng
Mr. LIU Jingwei
Mr. ZHAO Jianjun

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.
China CITIC Bank Corporation Limited
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
Registered Public Interest Entity Auditor

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

ir@sinooceangroup.com

LANDBANK DISTRIBUTION

59

Sino-Ocean Group Focuses on Acquiring Quality Land Resources, with Landbank Coverage Extended to 59 Cities all over the PRC and Overseas.

Beijing Region

Beijing Shijiazhuang Taiyuan Qinhuangdao Langfang Zhangjiakou Jinzhong
Total GFA: 14,230,000 sq.m.
Total landbank: 9,269,000 sq.m.
Number of projects: 45

Bohai Rim Region

Tianjin Qingdao Jinan Dalian Shenyang Changchun Anshan
Total GFA: 13,344,000 sq.m.
Total landbank: 7,575,000 sq.m.
Number of projects: 31

Eastern Region

Shanghai Hangzhou Nanjing Suzhou Ningbo Wuxi Changzhou Wenzhou Yangzhou Jiaxing Jinhua Zhenjiang Suqian Huzhou
Total GFA: 7,560,000 sq.m.
Total landbank: 4,059,000 sq.m.
Number of projects: 36

Southern Region

Shenzhen Guangzhou Fuzhou Foshan Quanzhou Xiamen Maoming Jiangmen Zhongshan Zhanjiang Sanya Hong Kong
Total GFA: 6,591,000 sq.m.
Total landbank: 3,886,000 sq.m.
Number of projects: 28

Central Region

Wuhan Zhengzhou Hefei Changsha Nanchang Ganzhou
Total GFA: 7,483,000 sq.m.
Total landbank: 3,609,000 sq.m.
Number of projects: 25

Western Region

Chengdu Chongqing Xi'an Kunming Guiyang Urumqi Lanzhou Liuzhou Luzhou Xining Xishuangbanna
Total GFA: 8,838,000 sq.m.
Total landbank: 5,671,000 sq.m.
Number of projects: 32

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)

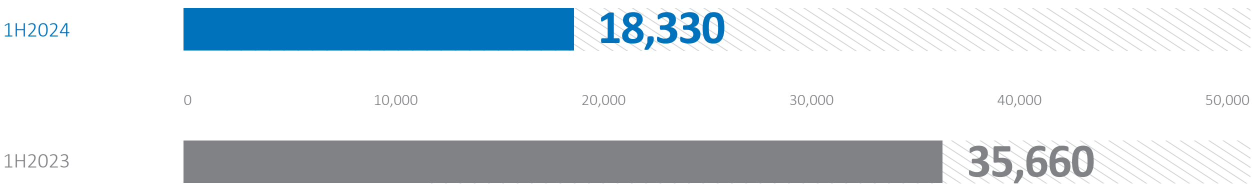
(RMB million)	2024	2023	Changes
Contracted sales	**18,330**	35,660	-49%
Revenue	**13,313**	20,807	-36%
Gross profit/(loss)	**297**	-125	N/A
Loss for the period	**-5,317**	-18,309	-71%
Loss attributable to owners of the Company	**-5,382**	-18,369	-71%
Loss per share (RMB)			
— Basic	**-0.707**	-2.412	-71%
— Diluted	**-0.707**	-2.412	-71%
Gross profit/(loss) margin (%)	**2%**	-1%	3 pts
Net loss margin (%)	**-40%**	-88%	48 pts
Saleable GFA sold ('000 sq.m.)	**1,514**	2,761	-45%
Saleable GFA delivered ('000 sq.m.)	**755**	1,223	-38%

(RMB million)	As at 30 June 2024 (unaudited)	As at 31 December 2023 (audited)	Changes
Total assets	**195,494**	206,172	-5%
Equity attributable to owners of the Company	**1,003**	7,029	-86%
Cash resources[1]	**4,709**	5,022	-6%
Net gearing ratio[2] (%)	**650%**	438%	212 pts
Current ratio (times)	**1.02**	0.95	8%
Landbank ('000 sq.m.)	**34,139**	36,213	-6%

Notes:
1 Including restricted bank deposits
2 Total borrowings minus cash resources divided by total equity

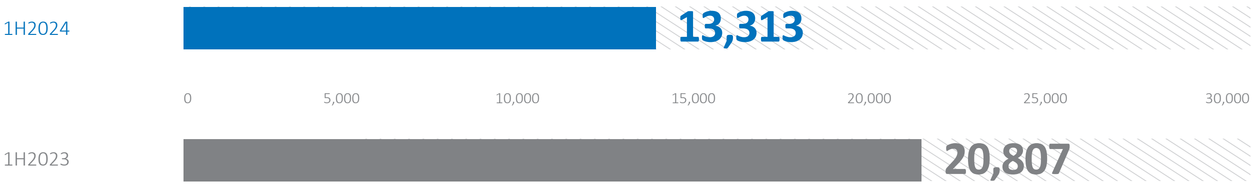
Contracted Sales

(RMB million)



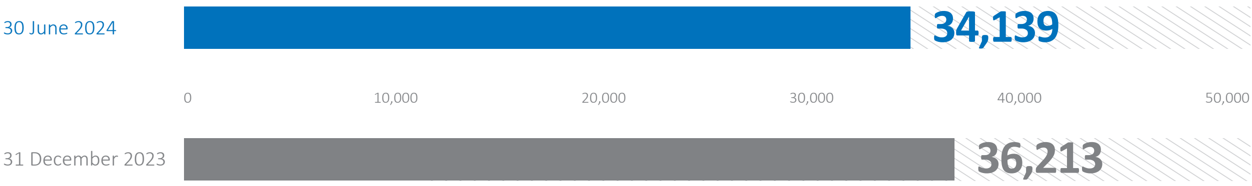
Revenue

(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 2024.

2024 INTERIM RESULTS

For the six months ended 30 June 2024, the Group's revenue was RMB13,313 million, representing a YoY decrease of 36%. Due to the continuous downturn in the real estate market in the PRC, the Group's gross profit was RMB297 million (first half of 2023: gross loss of RMB125 million), and the Group's gross profit margin was 2% (first half of 2023: gross loss margin of 1%). Loss attributable to owners of the Company and loss per share (basic and diluted) were RMB5,382 million and RMB0.707, respectively.

MARKET REVIEW AND OUTLOOK

In the first half of 2024, the real estate market in China remained sluggish. On 17 May 2024, the Central Government issued a package of policies such as 'lowering the down payment ratio of the first two residential units' and 'removing the lower limit of mortgage rate'. They also encouraged state-owned enterprises to absorb existing housing stock. But despite the follow-up adjustments in core cities and positive policy changes, it would take some time for the market to pick up. In the first six months of 2024, GFA of commodity housing sold nationwide was approximately 480 million sq.m., a drop of 19% YoY, of which residential housing dropped by 21.9%; property enterprises had achieved a capital inflow of approximately RMB5.4 trillion, a reduction of 22.6% YoY. Under the pressure of decreased cash collection from sales, difficulty in asset disposal and restrictive re-financing, property enterprises were faced with considerable risks and challenges. The industry continues to undergo consolidation.

Looking ahead to the second half of the year, the Group anticipates that the property market will continue to face significant challenges in the short term, with ongoing industry risk reduction. The era of large-scale urban redevelopment and concentrated development has come to an end. Reduction in development scale and project size is the way to go. The industry turns to high-quality growth and the property market enters an era of stock. Future real estate will be mainly on micro-renovations and existing stock. Opportunities exist in agent construction, urban renewal, asset management, non-performing assets and individual residential unit construction.

PERFORMANCE REVIEW AND STRATEGY

In the first half of 2024, taking into consideration the policies, industry, market and the actual situation of the Company, the Group focused on sustainable operations and worked on consistent high-quality delivery, implementation of the financing 'white list', actively resolved debt risks and promoted timely business transformation.

Steadfast in high-quality delivery to maintain the Top 10 position

In the first half of 2024, the Group attached significant importance to delivery work. An accumulated total of 18,300 residential units were delivered to a high standard in 25 cities including Tianjin, Shanghai, Suzhou, Xiamen, Jinan, Zhengzhou and Guangzhou. At the same time, the Group exercised stringent delivery quality management. Third party data[1] indicated that the Group ranked Top 10 among major property enterprises in terms of overall delivery quality. Our interior decoration and landscape gardening ranked Top 5 in the industry. Our exquisite workmanship and pursuit of quality were fully recognized by property owners and the market.

Note 1: According to statistics provided by Shenzhen Ridge Engineering Consulting Co. Ltd.

Achieved significant progress in debt management to resolve debt risks effectively

In the first half of 2024, the Group made significant progress in managing onshore and offshore debts. In respect of the onshore debts, we completed the extension of approximately RMB18 billion onshore corporate bonds, effectively easing the pressure of debt repayment. This helped the Company to return to a virtuous business cycle and back on the normal track of progress. The Group will put even stronger efforts in sales, continue to promote asset disposal and exercise strict control on expenses to enable further debt repayment arrangements.

The Group also made significant progress in restructuring offshore debts. On 18 July 2024, the Group announced a holistic debt management proposal. As at 22 August 2024, holders representing 72.5% of the Class A Debt (as defined in the announcement of the Company dated 18 July 2024) have acceded to the restructuring support agreement. The support shown by the relevant creditors provided vital assurance to the Group in the implementation of its offshore holistic debt management proposal, and represented an important milestone in the offshore debt restructuring. Debt restructuring will help the Group to re-establish a long-term and sustainable capital structure. We will actively pursue the offshore holistic debt restructuring with a view to completing it soonest possible. This will create a more favorable environment for the stable operation of the Group.

Operations progressed steadily, asset-light businesses began to show results

In the first half of 2024, the Group adopted multiple measures to promote sales, achieving contracted sales of RMB18.33 billion. In addition, we also had high-quality investment properties in core tier-one and tier-two cities including office and retail space. Operation performance remained stable with core projects maintaining an occupancy rate of over 90%.

In a changing environment, the Group on the one hand made steady progress with existing businesses while on the other hand diligently promoted asset-light agent construction business. By leveraging our unique advantage in our comprehensive capabilities in development and operation, multi-business and whole-industry chain, we continued to build professionalism in construction and promote asset-light business. In the first half of 2024, according to third-party data[2], total GFA of the Group's asset-light agent construction exceeded 2.2 million sq.m., clinching the Top 11 position in new contracts for such business.

In-depth implementation of sustainable development, ESG maintained excellent performance

In the first half of 2024, the Group's outstanding performance in sustainable development enjoyed continued recognition by rating agencies in the capital market. As at 30 June 2024, the Group ranked top among all property enterprises in China in the S&P Global Corporate Sustainability Assessment ('CSA'), Global Real Estate Sustainability Benchmark ('GRESB'), and CDP ('Carbon Disclosure Project'). In March 2024, CBD Plot Z6 project (Beijing) successfully passed the 'Net-Zero Carbon Building Evaluation System' review to become China's first super-high office block to be awarded 'Net-Zero Excellence Certification', filling the void in that area in the country.

At the same time, the Group continued to implement the concept of 'Building·Health'. Focusing on users' needs, we intensified the application and implementation of Sino-Ocean's Healthy Building Series 2.0 in development projects. While committed to high-quality delivery, we endeavoured to materialize the concept of health, constantly optimizing the health functions of products and intensifying self-developed health topics. We also worked closely with industry leaders to promote the research and application of technology for smart health, space comfort and plants for healing. As at the end of June 2024, the Sino-Ocean Healthy Building Series was implemented in 145 projects in 51 cities throughout the country, covering more than 27 million sq.m.

Note 2: According to 2023 China Real Estate Agent Construction Companies Ranking (China Index Academy)

COMPANY STRATEGIES IN THE SECOND HALF OF 2024

In the second half of 2024, the Group will continue to 'Serving users with ingenuity', ensure high-quality delivery, build more 'good homes' and provide more 'good services', push forward offshore debt restructuring steadily, speed up cash collection from sales, step up asset disposal and cash receivable, and spare no efforts in ensuring operation stability. We will encourage an all-round asset-light transformation, breaking traditional mechanisms and activate teams to capitalize on the Group's advantage in multi-business and whole-industry chain. We will endeavour to expand asset-light businesses such as agent construction and urban renewal, explore new businesses such as non-performing assets and individual residential unit constructions to consolidate and elevate the Group's sustainable operation and development capability.

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, 28 August 2024

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW[1]

Revenue

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

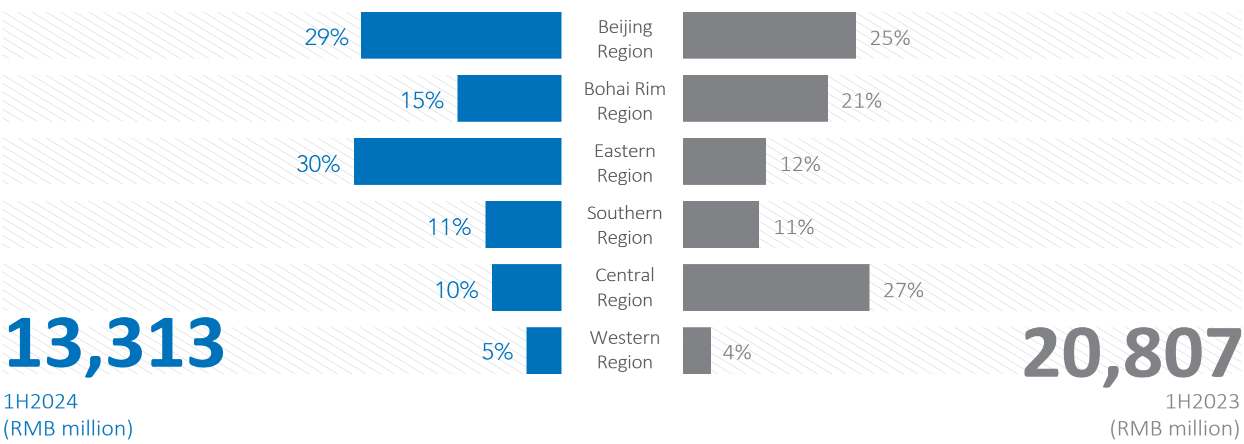
(RMB million)	2024	2023	Changes
Property development	**10,300**	17,318	-41%
Property investment	**181**	197	-8%
Property management and related services	**1,361**	1,440	-5%
Other real estate related businesses	**1,471**	1,852	-21%
Total	**13,313**	20,807	-36%

The revenue of the Group in the first half of 2024 was RMB13,313 million, representing a 36% decrease as compared to RMB20,807 million in the first half of 2023. The property development segment remained the largest contributor, which accounted for approximately 77% of the Group's total revenue. During the first half of 2024, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 9%, 18%, 38%, 15%, 13% and 7%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources.

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

Due to the downturn 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 2024.

Revenue contributions by geographical locations for the first half of 2024 and 2023 are analyzed below:



Note 1: As disclosed in the 2023 annual report of the Company, when the Group prepared the consolidated financial statements for the year ended 31 December 2023, prior period adjustments were made to the financial statements of the Group for the year of 2022. Accordingly, in preparing the interim condensed consolidated financial statements for the six months ended 30 June 2024, certain account balances as at 1 January 2023 and 30 June 2023 have been restated. For details on the prior period adjustments, please refer to note 2.2 of the interim condensed consolidated financial statements in this interim report.

Cost of sales

The Group's total cost of sales for the period was RMB13,016 million (first half of 2023: RMB20,931 million).

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

Excluding car parks, average land cost per sq.m. of property development business during the period decreased to approximately RMB8,400 (first half of 2023: RMB8,500 per sq.m.). The average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB5,800 for the first half of 2024 (first half of 2023: RMB5,700 per sq.m.). The average land cost and construction cost maintained same level as the corresponding period of 2023.

Gross profit/(loss)

Gross profit for the period was RMB297 million (first half of 2023: gross loss of RMB125 million). Gross profit margin was approximately 2% (first half of 2023: gross loss margin of 1%). Gross profit for the period did not recover significantly, which was primarily attributed to the weak market sentiment in the overall PRC real estate market, which led to the decrease in the Group's revenue and the lack of substantial improvement in the industry gross profit margin.

Interests and other income and other losses (net)

Interests and other income for the six months ended 30 June 2024 decreased by 26% to RMB353 million (first half of 2023: RMB477 million). Such decrease was mainly due to the decrease in the interest income during the period.

The Group recorded other losses (net) of RMB479 million for the period (first half of 2023: RMB1,194 million). The recorded other losses (net) for the period were primarily due to the downturn and operational difficulties in the real estate market in the PRC. Other losses (net) for the first half of 2024 mainly comprised of fair value losses of financial assets and financial liabilities at fair value through profit or loss and losses on disposal of interests in subsidiaries.

Revaluation of investment properties

The Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB293 million for the first half of 2024 (first half of 2023: fair value gains of RMB150 million).

Operating expenses

Selling and marketing expenses for the first half of 2024 were RMB282 million (first half of 2023: RMB572 million). The decrease for the period was in line with the decrease in the Group's contracted sales. These costs accounted for approximately 1.5% of the total contracted sales amount for the first half of 2024 (first half of 2023: 1.6%).

Administrative expenses for the first half of 2024 decreased to RMB658 million (first half of 2023: RMB816 million). The decrease for the period was mainly due to the further implementation of cost control measures in the first half of 2024. These costs represent approximately 4.9% of the total revenue for the first half of 2024 (first half of 2023: 3.9%). 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 2024, the Group recorded the net impairment losses on financial assets of RMB297 million (first half of 2023: RMB11,294 million). The decrease in such losses was mainly due to less provision made by the Group for the expected credit losses on the trade and other receivables during the period.

Impairment losses on assets classified as held for sale

For the first half of 2024, the Group recorded the impairment losses on assets classified as held for sale of RMB1,707 million (first half of 2023: nil). Such losses were due to the disposal arrangement of the equity interests and creditor's rights in a joint venture. Further information is set out in the below paragraphs headed "Material acquisitions and disposals of subsidiaries, associates and joint ventures".

Finance costs

Our weighted average interest rate decreased from 5.78% for the first half of 2023 to 5.59% for the first half of 2024. During the first half of 2024, the total interest expenses paid or accrued for the period decreased to RMB2,740 million (first half of 2023: RMB2,747 million), of which RMB1,875 million (first half of 2023: RMB1,881 million) was not capitalized and charged to interim condensed consolidated statement of profit or loss.

Taxation

The aggregate of enterprise income tax and deferred income tax decreased to RMB216 million for the first half of 2024 (first half of 2023: RMB304 million). The decrease was mainly attributed to the combined effects of the decrease in revenue and the relatively low gross profit margin during the first half of 2024. In addition, land appreciation tax credit for the first half of 2024 was RMB646 million (first half of 2023: tax expense of RMB89 million). It was mainly due to the reversal of the previous recognized land appreciation tax expense for several projects during the period.

Loss attributable to owners of the Company

The loss attributable to owners of the Company was RMB5,382 million for the first half of 2024 (first half of 2023: RMB18,369 million). The recorded reduction in loss for the reporting period was mainly attributed to (i) the decrease in the provision for impairment of property projects and (ii) the reduction in the share of losses from joint ventures and associates, during the period.

Financial resources and liquidity

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

(RMB million)	As at 30 June 2024	As a percentage of total borrowings	As at 31 December 2023	As a percentage of total borrowings
Within 1 year	**58,713**	**61%**	69,751	73%
1 to 2 years	**12,064**	**12%**	11,027	11%
2 to 5 years	**20,000**	**21%**	9,386	10%
Over 5 years	**5,892**	**6%**	5,979	6%
Total	**96,669**	**100%**	96,143	100%

During the first half of 2024, 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 slightly increased from RMB96,143 million as at 31 December 2023 to RMB96,669 million as at 30 June 2024. Approximately 60% of the Group's total borrowings were denominated in RMB and the remaining were denominated in other currencies, such as HKD and USD. Approximately 63% of the Group's borrowings were made at fixed interest rate.

As at 30 June 2024, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB4,709 million, of which approximately 99.5% (31 December 2023: 99.4%) of the Group's cash resources were denominated in RMB with the remaining balances mainly denominated in USD and HKD. The current ratio was 1.02 times. During the first half of 2024, the Group was taking the initiative in mitigating liquidity risks, so as to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due.

As at 30 June 2024, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 650% (31 December 2023: 438%). The increase in net gearing ratio was a result of combined impact from multiple extreme factors including continuous deep adjustments of the real estate market, noticeable decline in overall sales returns, difficulties in asset disposal 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. Following more stimulus policies in the real estate market are released in the PRC, we will continue to resolve the debt risks and focus on ensuring the delivery of property projects and lowering the net gearing ratio.

Other investments

As of 30 June 2024, the Group had a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds, 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 2024.

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

As at 30 June 2024, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB15,499 million (31 December 2023: RMB16,591 million).

As at 30 June 2024, 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 RMB24,441 million (31 December 2023: RMB16,305 million) and long-term borrowings of RMB30,063 million (31 December 2023: RMB16,476 million). As at 30 June 2024, total pledged assets accounted for approximately 32% of the total assets of the Group (31 December 2023: 27%).

Capital commitments

The Group entered into certain agreements in respect of properties under development, property projects and investment in a joint venture[2]. As at 30 June 2024, the Group had a total capital commitment of RMB17,564 million (31 December 2023: RMB17,461 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 2024, the total amount of the aforesaid guarantees provided by the Group was RMB15,499 million (31 December 2023: RMB16,591 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 2024, the Group provided guarantees in the amount of RMB64,987 million for borrowings of joint ventures and third parties (31 December 2023: RMB63,030 million).

Note 2: As of the Latest Practicable Date, the Group's capital commitment to a joint venture of approximately RMB8,642 million was discharged due to the disposal of the joint venture.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

• Disposal of equity interests and creditor's rights in a property development company in the PRC

On 7 June 2024, the Company, Beijing Yingyu Enterprise Management Consulting Co., Ltd.* (北京穎煜企業管理諮詢有限公司) ("Seller 1"), Tianjin Yigangtong Enterprise Management Co., Ltd.* (天津頤港通企業管理有限公司) (together with Seller 1, the "Sellers") (both being wholly-owned subsidiaries of the Company), China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)) ("Purchaser 1"), Shiny Harbour Limited (緻港有限公司) ("Purchaser 2 (Equity)"), Beijing Sanlitun South Property Management Company Limited* (北京三里屯南區物業管理有限公司) ("Purchaser 2 (Debt)", together with Purchaser 2 (Equity), "Purchaser 2") (Purchaser 1 together with Purchaser 2, the "Purchasers") and Beijing Xingtaitonggang Properties Company Limited* (北京星泰通港置業有限公司) (the "Target Company") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") in relation to the disposal by the Sellers to the Purchasers of (a) an aggregate of 64.79% equity interests in the Target Company and (b) all creditor's rights held by Seller 1 in the Target Company in relation to the loans lent by Seller 1 to the Target Company (in the aggregate amount of RMB124,828,088.64) at the total consideration of RMB4 billion (the "Disposal").

In accordance with the terms of the Sale and Purchase Agreement, on 7 June 2024, the Company, Seller 1, Purchaser 2 (Equity) and Purchaser 2 (Debt) also entered into an agreement in relation to, among other things, the waiver of the right of first refusal by Purchaser 2 (Equity) (as an existing shareholder of the Target Company) subject to the payment of RMB184 million by Seller 1 to Purchaser 2 (Equity), and the adjustment and payment of the consideration payable by Purchaser 2 (Equity) for the Disposal.

The Target Company is principally engaged in property development and is mainly responsible for the development and operation of a development site for the proposed development of a project named INDIGO II. Located in Dawangjing Business Circle, Beijing with strong business atmosphere, INDIGO II is intended to be developed into a flagship commercial complex.

As at the date of the Sale and Purchase Agreement, the Target Company was accounted for as a joint venture of the Company in the consolidated financial statements of the Group. Upon completion of the Disposal, the Company will cease to have any interest in the Target Company. The Disposal has been completed as at the Latest Practicable Date.

Details of the above transactions have been disclosed in the announcement of the Company dated 7 June 2024 and the circular of the Company dated 25 June 2024.

BUSINESS REVIEW

Property development

Recognized sales

The Group's revenue from property development segment decreased by approximately 41% in the first half of 2024 to RMB10,300 million as compared to RMB17,318 million for the corresponding period in 2023. Saleable GFA delivered decreased by approximately 38% from 1,223,000 sq.m. for the first half of 2023 to 755,000 sq.m. for the first half of 2024. Excluding car park sales, the average selling price recognized for the first half of 2024 decreased to approximately RMB15,000 per sq.m. (first half of 2023: RMB15,900 per sq.m.). The decrease 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.

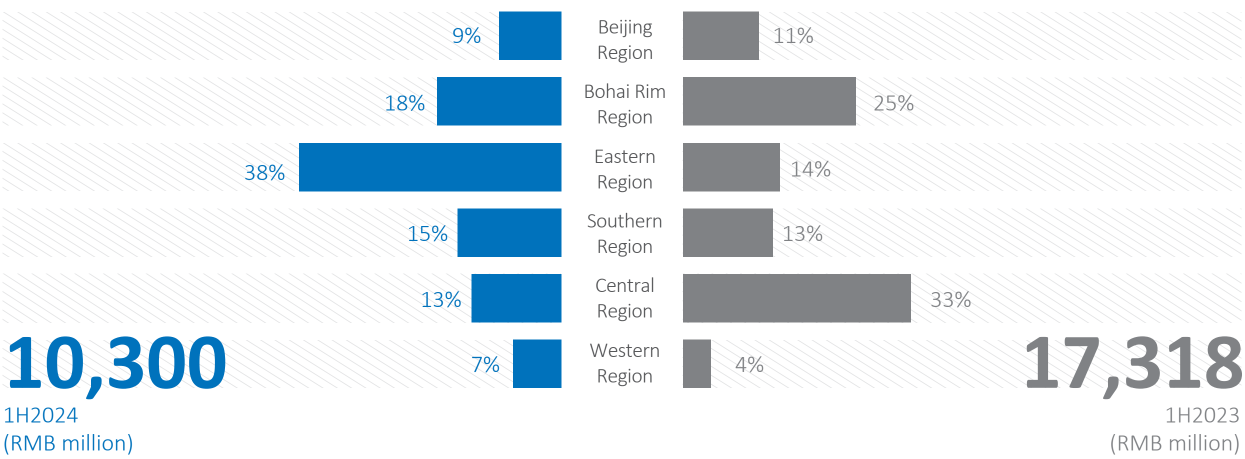
Revenue and saleable GFA delivered by cities during the first half of 2024 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	11	691	15,900
	Shijiazhuang	18	5,252	3,400
	Taiyuan	20	2,115	9,500
	Qinhuangdao	53	2,766	19,200
	Langfang	828	57,275	14,500
		930	**68,099**	**13,700**
Bohai Rim Region	Tianjin	545	31,087	17,500
	Qingdao	89	10,173	8,700
	Jinan	718	110,656	6,500
	Dalian	70	4,612	15,200
	Shenyang	245	28,511	8,600
		1,667	**185,039**	**9,000**
Eastern Region	Shanghai	3,129	56,490	55,400
	Hangzhou	1	21	47,600
	Nanjing	1	222	4,500
	Suzhou	45	4,523	9,900
	Wenzhou	620	30,285	20,500
		3,796	**91,541**	**41,500**
Southern Region	Shenzhen	96	5,066	18,900
	Guangzhou	414	21,914	18,900
	Maoming	1	361	2,800
	Jiangmen	55	7,045	7,800
	Zhongshan	512	53,011	9,700
	Zhanjiang	243	35,807	6,800
	Sanya	29	762	38,100
	Hong Kong	43	231	186,100
		1,393	**124,197**	**11,200**

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Central Region	Wuhan	360	17,483	20,600
	Zhengzhou	7	962	7,300
	Hefei	484	42,579	11,400
	Nanchang	307	34,333	8,900
	Ganzhou	129	16,326	7,900
		1,287	**111,683**	**11,500**
Western Region	Chengdu	682	60,716	11,200
	Xi'an	1	59	16,900
	Guiyang	10	1,543	6,500
		693	**62,318**	**11,100**
	Other projects	305	26,668	11,400
Subtotal (excluding carparks)		**10,071**	**669,545**	**15,000**
Carparks (various projects)		229	85,438	2,700
Total		**10,300**	**754,983**	**13,600**

During the first half of 2024, 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 2024 and 2023 are analyzed below:



Contracted sales

Due to the impact caused by the downturn 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 2024 amounted to RMB18,330 million, representing an approximately 49% decrease as compared to RMB35,660 million from the corresponding period in 2023. GFA sold for the first half of 2024 decreased by approximately 45% to 1,514,100 sq.m. (first half of 2023: 2,760,900 sq.m.). Excluding car park sales, the average selling price decreased by approximately 9% to RMB13,400 per sq.m. (first half of 2023: RMB14,700 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; and (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 during the first half of 2024.

There were around 160 projects available for sale during the first half of 2024 (first half of 2023: 180 projects). In terms of distribution, contracted sales from tier-one and tier-two cities accounted for over 89%.

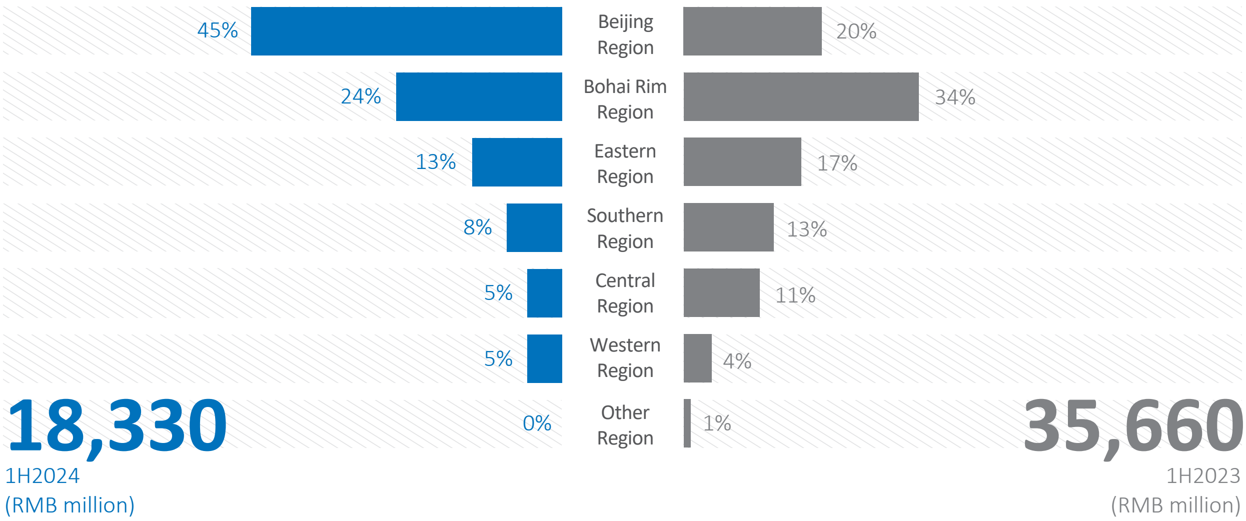
The contracted sales amounts and saleable GFA sold by cities during the first half of 2024 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	7,046	301,300	23,400
	Shijiazhuang	163	28,400	5,700
	Taiyuan	192	21,900	8,800
	Qinhuangdao	292	14,900	19,600
	Langfang	142	9,600	14,800
	Zhangjiakou	42	6,200	6,800
	Jinzhong	256	34,600	7,400
		8,133	**416,900**	**19,500**
Bohai Rim Region	Tianjin	1,331	87,700	15,200
	Qingdao	197	11,900	16,600
	Jinan	2,427	296,000	8,200
	Dalian	290	32,600	8,900
	Shenyang	37	3,600	10,300
	Changchun	40	5,200	7,700
		4,322	**437,000**	**9,900**

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Eastern Region	Shanghai	424	18,800	22,600
	Nanjing	35	5,200	6,700
	Suzhou	603	85,200	7,100
	Wuxi	374	14,800	25,300
	Wenzhou	339	14,800	22,900
	Jinhua	121	10,700	11,300
	Zhenjiang	169	19,300	8,800
	Suqian	115	26,600	4,300
		2,180	**195,400**	**11,200**
Southern Region	Shenzhen	288	10,100	28,500
	Guangzhou	279	15,700	17,800
	Fuzhou	74	5,700	13,000
	Foshan	118	8,400	14,000
	Xiamen	245	12,800	19,100
	Maoming	10	2,700	3,700
	Jiangmen	73	8,600	8,500
	Zhongshan	120	15,500	7,700
	Hong Kong	48	250	192,000
		1,255	**79,750**	**15,700**
Central Region	Wuhan	467	23,700	19,700
	Zhengzhou	16	3,300	4,800
	Changsha	194	20,700	9,400
	Nanchang	27	3,900	6,900
	Ganzhou	217	23,100	9,400
		921	**74,700**	**12,300**

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Western Region	Chengdu	86	6,800	12,600
	Chongqing	56	8,700	6,400
	Xi'an	345	25,600	13,500
	Kunming	2	100	20,000
	Urumqi	231	58,800	3,900
	Xining	39	3,600	10,800
	Xishuangbanna	113	15,900	7,100
		872	**119,500**	**7,300**
	Other projects	269	17,500	15,400
Subtotal (excluding carparks)		**17,952**	**1,340,750**	**13,400**
Carparks (various projects)		378	173,350	2,200
Total		**18,330**	**1,514,100**	**12,100**

Contracted sales amounts by geographical locations for the first half of 2024 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 2024 were approximately 2,684,000 sq.m. and 2,349,000 sq.m. respectively, decreased by 5% and increased by 4% respectively as compared to the corresponding period in 2023 and approximately 33% of this year's construction target was achieved in the first half of 2024. We will maintain our construction target of 2024 in order to have sufficient GFA available for sale and delivery to achieve our target in 2024 and support our growth in 2025.

As at 30 June 2024, the landbank of the Group (including its joint ventures and associates) decreased to 34,139,000 sq.m. (31 December 2023: 36,213,000 sq.m.); and landbank with attributable interest decreased to 17,983,000 sq.m. (31 December 2023: 19,073,000 sq.m.) accordingly. During the first half of 2024, we together with our joint ventures and associates did not acquire any plot of land. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2024 was approximately RMB6,400 (31 December 2023: RMB6,500 per sq.m.).

The landbank details of the Group and its joint ventures and associates as at 30 June 2024 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing Region	Beijing	Captain House	Fengtai District, Beijing	131	100	11	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%
		Central Peak	Changping District, Beijing	256	193	201	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	79	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	88	40.00%
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%
		Jasper Epoch	Daxing District, Beijing	92	78	9	100.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	38	11.10%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	40	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	50	56.88%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	249	31.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	108	21.00%
		Our New World	Fangshan District, Beijing	109	91	13	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Polaris Plaza	Chaoyang District, Beijing	46	–	46	17.96%
		Royal River Villa	Chaoyang District, Beijing	132	118	12	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	43	51.00%
		World View	Chaoyang District, Beijing	71	52	71	25.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	29	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	97	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	70.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				5,153	4,073	2,891	

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	110	110	109	88.89%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New Area, Shijiazhuang	152	140	29	38.35%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	109	24.26%
				431	**353**	**301**	
	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	111	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	313	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	26.60%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				2,228	**1,339**	**1,914**	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,098	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	20	52.15%
		Jingkai Logistics Project	Jingkai District, Langfang	151	–	151	19.29%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,261	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**	**1,690**	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	27	60.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,348	30.85%
				14,230	**9,954**	**9,269**	
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	276	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	1,898	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	49	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	82	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	5	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	17	52.15%
		UPED	Binhai New Area, Tianjin	653	445	483	51.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				6,050	**4,379**	**3,560**	

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 (%)
	Qingdao	Ocean Glory	Shibei District, Qingdao	102	76	102	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	9	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	35	100.00%
				592	**432**	**146**	
	Jinan	Fantastic Time	Tianqiao District, Jinan	535	435	535	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	555	100.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	70.00%
		Ocean Epoch	Lixia District, Jinan	390	371	147	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	48	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	517	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	5	37.90%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	47	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	298	30.66%
				3,543	**2,913**	**2,249**	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	585	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	5	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%
				2,036	**1,808**	**940**	
	Shenyang	Ocean Elite River Prospect	Shenbei New Area, Shenyang	400	313	364	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	21	100.00%
				447	**345**	**385**	
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	256	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				13,344	**10,426**	**7,575**	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	76	52.15%
		Hongqiao Origin	Qingpu District, Shanghai	75	53	18	100.00%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Lingang Sky Masion	Pudong New Area, Shanghai	172	108	144	52.15%
		Moon Mirage	Chongming District, Shanghai	1,072	672	668	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	35.91%
				1,711	**993**	**1,042**	
	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**	

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 (%)
	Nanjing	Ocean Seasons	Lishui District, Nanjing	234	184	24	100.00%
		The One	Jiangning District, Nanjing	213	153	1	100.00%
				447	**337**	**25**	
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	50	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	24	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City,Suzhou	108	77	70	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	28	44.27%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
		Zhangjiagang Internet Data Center	Zhangjiagang City, Suzhou	24	–	24	87.75%
				938	**710**	**273**	
	Ningbo	Yuyao Supply Chain Industrial Park	Yuyao City, Ningbo	56	–	56	28.19%
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	103	15.00%
		One Residence	Xinwu District, Wuxi	211	154	51	19.80%
				407	**311**	**154**	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	66	52.15%
				705	**374**	**263**	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	85	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	12	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	276	41.36%
				530	**300**	**455**	
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				548	**348**	**548**	
	Jiaxing	Pinghu Logistics Project	Pinghu City, Jiaxing	72	–	72	21.86%
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	171	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	441	50.00%
	Suqian	Aegean Place	Sucheng District, Suqian	117	–	117	14.08%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	33	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	258	14.08%
				1,146	**818**	**408**	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				7,560	**4,890**	**4,059**	

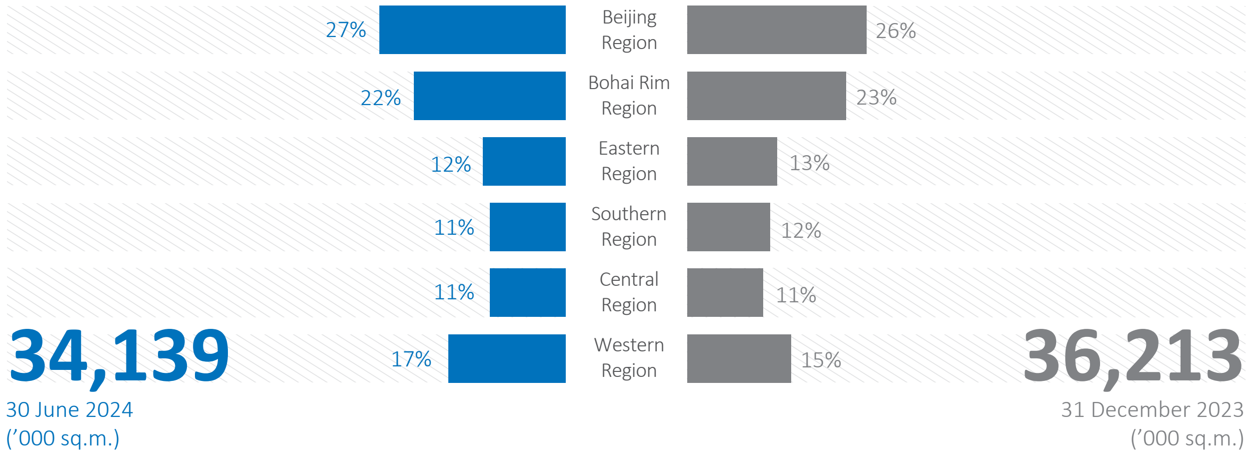
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Southern Region	Shenzhen	Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	91	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	64.90%
		Peace Palace	Longhua District, Shenzhen	278	201	278	63.01%
		Shanxia Project	Longgang District, Shenzhen	323	303	323	81.00%
				2,190	**1,553**	**1,669**	
	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	19	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	43	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	67	100.00%
				839	**606**	**178**	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	52	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	118	50.00%
				427	**362**	**244**	
	Quanzhou	Ocean Prospect	Luojiang District, Quanzhou	51	35	51	42.00%
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	133	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	164	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	56	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	52	100.00%
				307	**234**	**108**	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	847	75.00%
		Ocean Palace	Southern District, Zhongshan	181	134	116	100.00%
				1,353	**1,171**	**963**	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	241	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	74	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
		Nga Tsin Long Road Project, Kowloon City	Kowloon City District, Hong Kong	6	5	6	60.00%
				9	**8**	**9**	
				6,591	**5,063**	**3,886**	

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	175	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**	**1,388**	
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	61	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	36.98%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	14	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	8	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	34	100.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	118	22.72%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
				1,237	**965**	**765**	
	Hefei	Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	33	70.00%
				370	**263**	**203**	
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	486	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
				1,429	**1,000**	**1,037**	
	Nanchang	Cloud View	Jingkai District, Nanchang	81	61	37	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	13	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	33	52.15%
				429	**346**	**83**	
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	133	53.59%
				7,483	**5,018**	**3,609**	

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	104	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	36.51%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	24.50%
				568	**233**	**362**	
	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	22	34.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	36	56.10%
				964	**720**	**121**	
	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	113	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				1,884	**1,363**	**1,599**	
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	84	69.80%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	69.80%
				321	**306**	**183**	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New Area, Guiyang	165	135	109	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	11	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**	**989**	
	Urumqi	Natural Century	Saybag District, Urumqi	74	63	74	2.61%
		Royal Mansion	Saybag District, Urumqi	402	293	302	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
				624	**467**	**524**	

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 (%)
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	264	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	108	76.55%
				442	**251**	**193**	
	Luzhou	Sky Masion	Jiangyang District, Luzhou	279	207	279	52.15%
	Xining	Aegean Place	Haihu New Area, Xining	121	–	121	76.55%
		Sky Masion	Chengzhong District, Xining	1,278	1,018	660	41.72%
		Sky Palace	Chengxi District, Xining	311	254	117	76.55%
				1,710	**1,272**	**898**	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	259	26.07%
				8,838	**6,324**	**5,671**	
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				**58,116**	**41,736**	**34,139**	

The landbank by geographical locations as at 30 June 2024 and 31 December 2023 are analyzed below:



The landbank by stages of development as at 30 June 2024 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	32,110	23,118	8,133
Properties under development	20,685	14,893	20,685
Properties held for future development	5,321	3,725	5,321
Total	**58,116**	**41,736**	**34,139**

Property investment

During the first half of 2024, affected by the downturn in the property leasing market in the PRC, revenue from property investment decreased by approximately 8% to RMB181 million (first half of 2023: RMB197 million). As at 30 June 2024, the Group (including its joint ventures and associates) held more than 23 operating investment properties. Our investment properties are mainly prime A-grade office premises, shopping malls, commercial complex and logistics projects at good locations. The total leasable area amounted to approximately 3,667,000 sq.m. as at 30 June 2024 with office developments about 21%, logistics projects about 49%, and others including commercial complexes, car parks and others about 30%. 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 2024 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	–	–	–	64%	100%
Grand Canal Place (Beijing)	Tongzhou District, Beijing	111,000	60,000	51,000	–	–	43%	62%
Ocean Incom (Beijing)	Shunyi District, Beijing	45,000	32,000	2,000	–	11,000	72%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	86%	100%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	61%	100%
Aegean Place (Suqian)	Shuyang County, Suqian	40,000	–	40,000	–	–	68%	100%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	98%	100%
Other projects		110,000	–	62,000	–	48,000		
Subtotal		481,000	240,000	164,000	–	77,000		
Other								
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	90%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	90%	35%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	75%	72%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	93,000	81,000	12,000	–	–	85%	29%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	42,000	–	42,000	–	–	87%	52%
Hedong Aegean Place (Tianjin)	Hedong District, Tianjin	97,000	–	97,000	–	–	90%	34%
Ocean We-life (Tianjin)	Binhai New Area, Tianjin	28,000	–	28,000	–	–	93%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	95%	64%
Aegean Place (Jinan)	Shanghe County, Jinan	34,000	–	34,000	–	–	74%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	74%	36%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	65%	30%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	64,000	46,000	4,000	–	14,000	68%	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	–	–	93%	26%
Aegean Place (Fuzhou)	Cangshan District, Fuzhou	93,000	–	93,000	–	–	91%	31%
Aegean Place (Nanchang)	Wanli District, Nanchang	27,000	–	27,000	–	–	98%	52%
Other projects		2,134,000	225,000	115,000	1,781,000	13,000		
Subtotal		3,186,000	542,000	685,000	1,781,000	178,000		
Total		**3,667,000**	**782,000**	**849,000**	**1,781,000**	**255,000**		

Commercial 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 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 2024, the Group’s revenue from property management and related services was RMB1,361 million, a decrease of approximately 5% from RMB1,440 million for the corresponding period in 2023, maintaining efficient and stable operating capacities.

As of 30 June 2024, Sino-Ocean Service’s total contracted GFA of property management services reached 133.6 million sq.m.[3], covering 83 cities[3] across 27 provinces, autonomous regions and municipalities[3] in China; total GFA under management reached 100.1 million sq.m.[3] and 501 properties[3] were under our management, including 325 residential communities[3], 65 commercial properties[3] and 111 other properties[3].

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 3: Including for those provided to the Group and its affiliates

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.

In light of the uncertainties of the economic environment and the changes in the industry, we have adopted a series of measures to stabilize operation and resolve the debt risks. At the same time, the Group continues to monitor the above factors and works together with those stakeholders to formulate actions to deliver sustainable development of economic, social and environmental values.

Risk of exposure to interest rate fluctuations

Certain of the Group's borrowings are with floating interest rates. For the first half of 2024, the weighted average interest rate of the Group was 5.59%, which decreased by 19 basis points as compared to the corresponding period in 2023. The Group has closely monitored interest rate movements and assessed its impacts to the Group's financial performance and operations.

Risk of exposure to exchange rate fluctuations

As at 30 June 2024, approximately 40% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuations in foreign exchange rates. As non-RMB currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-RMB currencies. The Group has never engaged in the dealing of any financial derivative instruments for speculative purposes. Our operation has not been materially affected by the exchange rate fluctuations. The Group will continuously monitor exchange rate movements and consider appropriate measures to reduce the exchange rate risk.

EMPLOYEES AND HUMAN RESOURCES

As at 30 June 2024, the Group had 12,798 employees (31 December 2023: 13,942 employees). The decrease in the number of employees was mainly due to the continuous optimization of manpower in the property development related businesses. The Group's staff cost in the period decreased to RMB1,182 million (first half of 2023: RMB1,187 million). The decrease in staff cost was mainly the net effect of the reduction of staff cost in the property development segment and the increase of one-off cost related to the optimization of manpower during the period.

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

ADDITIONAL INFORMATION ON DISCLAIMER OF CONCLUSION EXPRESSED BY AUDITOR ON THE 2024 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2023 as disclosed in the Independent Auditor's Report in the 2023 annual report of the Company, BDO did not express a conclusion (the"Disclaimer of Conclusion") on the interim condensed consolidated financial statements for the six months ended 30 June 2024 (the "2024 Interim Condensed Consolidated Financial Statements"). Details of the disclaimer of conclusion are described in the paragraphs headed "BASIS FOR DISCLAIMER OF CONCLUSION — Multiple Uncertainties Relating to Going Concern" in the Report on Review of Interim Condensed Consolidated Financial Statements in this interim report.

The management of the Group has given careful consideration to the Disclaimer of Conclusion and the basis thereof and has had continuous discussions with BDO during the preparation of the 2024 Interim Condensed Consolidated Financial Statements.

The management of the Group understands that the Disclaimer of Conclusion relates solely to the validity of going concern assumption, on which the 2024 Interim Condensed Consolidated Financial Statements have been prepared and which depends upon the successful implementation of certain plans and measures, which are in turn subject to multiple uncertainties.

The management of the Group has carefully considered the Group's cash flow forecast for the next 12 months from 30 June 2024 and has given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, has proactively formulated certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in note 2.1 to the 2024 interim condensed consolidated financial statements in this interim report (the "Relevant Plans and Measures"). Further information on the holistic debt management for offshore debts and the extension of onshore open market debts are also set out in the below paragraphs headed "HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS" and "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS".

Assuming the success of the Relevant Plans and Measures, the management of the Group considers that the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least 12 months from 30 June 2024. Accordingly, the management of the Group is of the opinion that it is appropriate to prepare the 2024 Interim Condensed Consolidated Financial Statements on a going concern basis.

The Audit Committee had discussed with the Board and the management of the Group regarding the going concern issue. With the orderly implementation of the Relevant Plans and Measures, the Audit Committee agreed with the position taken by the Group's management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee also discussed and understood the concerns of BDO that uncertainties exist as to whether the management of the Group will be able to achieve the Relevant Plans and Measures. There is no disagreement by the Board, the Group's management nor the Audit Committee with the position taken by BDO regarding the going concern issue.

HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS

References are made to the announcements of the Company dated 15 September 2023, 12 October 2023, 10 November 2023, 8 February 2024, 30 April 2024, 28 June 2024, 18 July 2024 and 22 August 2024 in relation to, among others, the proposed holistic offshore debt restructuring of the Group (collectively, the "Offshore Debts Announcements").

As set out in the Offshore Debts Announcements, in order to facilitate the holistic debt restructuring, except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors, the Group has suspended payments under its offshore debts. At the request of the relevant issuers of the offshore USD securities, the trading in the offshore USD securities on the Stock Exchange has been suspended with effect from 9:00 a.m. on 15 September 2023, and will remain suspended until further notice(s).

As further set out in the Offshore Debts Announcements, the Company and certain in-scope creditors, together with their respective advisors, have been engaged in constructive dialogue towards a restructuring of the Group's relevant offshore indebtedness. The contemplated restructuring in respect of certain existing offshore debt instruments of the Group (the "Restructuring") is intended to (1) maximize recoveries for the in-scope creditors while providing fair and equitable treatment to all creditors; and (2) establish a long-term and sustainable capital structure for the Company.

On 18 July 2024, the Company announced a holistic debt management proposal, pursuant to which the scope of the Restructuring covers certain existing offshore debt instruments of the Group, comprising existing syndicated loans, an existing bilateral loan and certain existing offshore USD securities, with an aggregate outstanding principal amount of approximately USD5,636 million, subject to the Company's election to exclude any debt from the above scope and include any additional debt into the above scope.

The Restructuring provides fair and equitable treatment to all in-scope creditors based on their existing legal standing and inter-creditor legal priorities in repayment. As at 22 August 2024, being the original Base Consent Fee Deadline (as defined in the Offshore Debts Announcements), holders representing 72.5% of the Class A Debt (as defined in the Offshore Debts Announcements) have acceded to the restructuring support agreement dated 18 July 2024 (as may be amended and/or supplemented from time to time, the "RSA"). The Company understands that many other creditors are supportive of the restructuring plan and are going through internal procedures for acceding to the RSA. The Company would like to express its sincere gratitude for the support shown by the acceding creditors. The Company values the support of each creditor and would like to sincerely encourage and invite the remaining creditors to accede to the RSA as soon as possible.

The Restructuring is envisaged to be effectuated via a combination of restructuring processes. As at the Latest Practicable Date, the Company has commenced the process of implementing the Restructuring on terms set forth in the RSA. Further announcement(s) will be made by the Company to inform Shareholders and other investors of the Company of any material development on the Restructuring as and when appropriate.

RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS

References are made to the announcements of the Company dated 28 March 2024, 27 June 2024 and 7 August 2024 published on the Stock Exchange and the announcements of SOG China dated 28 March 2024, 26 June 2024 and 7 August 2024 published on The Shanghai Stock Exchange, in relation to the onshore open market debts of the Group (collectively, the "Onshore Open Market Debts Announcements").

As set out in the Onshore Open Market Debts Announcements, SOG China successively convened holders' meetings in respect of the seven corporate bonds (abbreviations of which are "H18 Sino-Ocean 1* (H18遠洋1)", "H15 Sino-Ocean 5* (H15遠洋5)", "H15 Sino-Ocean 3* (H15遠洋3)", "H19 Sino-Ocean 1* (H19遠洋1)", "H19 Sino-Ocean 2* (H19遠洋2)", "H21 Sino-Ocean 1* (H21遠洋1)" and "H21 Sino-Ocean 2* (H21遠洋2)", collectively the "Relevant Bonds") in January 2024 to consider the relevant resolutions in relation to the adjustment of the arrangement for the payment of principal and interest of the corporate bonds and the provision of credit enhancement and safeguard measures, among other things (the "Extension Resolutions"). The Extension Resolutions in respect of the Relevant Bonds were approved by the holders by way of voting, involving a total outstanding principal amount of RMB13.27 billion. As of the Latest Practicable Date, SOG China is implementing the debt repayment arrangements pursuant to the requirements of the Extension Resolutions of the Relevant Bonds.

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

IMPORTANT EVENT AFTER THE PERIOD ENDED 30 JUNE 2024

Save as disclosed in the above paragraphs headed "HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS" and "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS" and note 30 to the interim condensed consolidated financial statements in this interim report, as at the Latest Practicable Date, there was no important event affecting the Group after the period ended 30 June 2024.

INVESTOR RELATIONS

The Group adheres 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.

EMPHASIZING TWO-WAY COMMUNICATION TO DELIVER CORPORATE VALUE

In the first half of 2024, real estate policies continued to relax. The property market in China still faced serious downward pressure, but the numerous favourable policies earlier were beginning to produce effect and some regions were showing signs of recovery. The Group persevered in meticulous service and high-quality delivery, actively sought asset-light business, endeavored to resolve debt risks and resume normal operation.

In light of the uncertainties of the economic environment and the changes in the industry, we were agile in response and maintained truthful communication with our investors. In the first half of 2024, as the industry underwent continuous clearing, the Group adopted a series of measures to stabilize operation and resolve the debt risks. However, in the absence of significant improvement in sales and the financing environment, the Group expects liquidity will still face continued challenges in the short to medium term. While actively stabilizing operation and resolving debt risks, we disclosed in a timely manner important information about the Group through various communication channels and in the form of announcements. We conveyed the Group's numerous measures and deployed strategies in response to the concerns of financial institutions, investors, analysts and relevant parties, enabling the market a timely insight of the Company's business direction and financing situation.

ENSURING FAIR DISCLOSURE AND MAINTAINING TRANSPARENCY

In the first half of 2024, we maintained our high efficiency and standards of information disclosure to ensure the timely dissemination of relevant corporate information. To facilitate investors' better understanding of the Company's business development and performance, we published announcements on the website of the Stock Exchange and shared the Company's latest progress through our official website and other channels, so as 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. In May 2024, the Group held the Annual General Meeting. In July 2024, an Extraordinary General Meeting was held for a very substantial disposal. 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 enhance the communication mechanism with the capital market and to maintain long-term effective communication with more investors, with the objective of promoting investors' recognition, 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.

Sustainable Development Report

The Group issued "Dedicated to Health and Committed to Responsibility — Sustainable Development Report 2023 of Sino-Ocean Group" in April 2024, the report was prepared in accordance with standards including the ESG Reporting Guide specified in Appendix to the relevant Listing Rules, with reference to some indicators of the GRI Standards released by the Global Reporting Initiative ("GRI"). Meanwhile, disclosures in this report are made in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) and the UN Sustainable Development Goals (UN SDGs) frameworks, and this report is verified with reference to the AA1000 Assurance Standard v3 (AA1000AS v3). The report illustrated 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 has consistently maintained its outstanding performance in sustainable development and continued to be recognised by rating agencies in the capital markets. As of 30 June 2024, the S&P Global Corporate Sustainability Assessment (CSA) participated by Sino-Ocean Group has surpassed 90% of its global peers, maintaining the first in the total score of domestic real estate enterprises; the Group received the highest five-star rating once and four-star rating thrice in the Global Real Estate Sustainability Benchmark (GRESB) assessment, and the score has been improved for four consecutive years; the CDP climate change rating of B, which was the highest rating of domestic real estate enterprises, has been maintained; the Group received MSCI ESG rating with "AA" level once, "A" level twice and Morningstar Sustainalytics ESG has maintained a low risk rating for three consecutive years.

Improve Sustainable Operation Capabilities

The Group has always delivered presold homes with high-quality and continued to maintain its core competitiveness in the field of products and services. In the first half of 2024, Sino-Ocean Group delivered about 18,300 units of high-quality residential property in 25 cities including Tianjin, Shanghai, Suzhou, Xiamen, Jinan, Zhengzhou and Guangzhou, and continued to provide users with ingenious products and high-quality services.

During the new stage of the industry, the Group will utilize the advantages of full spectrum of offerings and the whole industrial chain, further increase the expansion of asset-light business, vigorously develop asset-light business such as agency construction, urban revitalisation, asset management and fund management, and professional services, and enhance the Group's sustainable operation ability. In the first half of 2024, Sino-Ocean Management, its asset-light agency business platform, ranked 11th in the "Ranking of New Signing Scale of China's Real Estate Agency Construction Enterprises from January to June 2024" and 12th in the "Ranking of New Signing Scale of Government Agency Construction of China's Real Estate Agency Construction Enterprises from January to June 2024" with its 23 new projects and 2.23 million sq.m. of new signing area.

Leveraging the continuous improvement of its sustainable operating capabilities, Sino-Ocean Group ranked among the Top 30 in the "2024 Real Estate Developers in Comprehensive Strength"; Sino-Ocean Service, one of its subsidiaries, was awarded the "2024 China Property ESG Sustainable Development Leading Enterprise".

The Group has steadily advanced the implementation of its sustainable development strategy and continued to improve the level of corporate governance. In the first half of 2024, the Group focused on raising awareness of ESG risks, established a bi-weekly ESG meeting system, and has conducted three ESG trainings to enhance the overall enterprise ESG risk awareness.

The Group clarified our risk management process: from risk identification – impact analysis – risk management – response measures – the whole process of regular public disclosure, and strengthened risk management and control. Meanwhile, employees were encouraged to proactively identify and report latent risks of the Group. The Group paid attention to and identified emerging risks that had the maximum impact on future business, and formulated corresponding mitigation measures. During the implementation of the "Sustainable Development Policy" and risk management system, the content and scope of anti-corruption related supervision were constantly adjusted and improved. We conducted one on-site inspection quarterly for the business ethics policies, standards and practices implemented by business units, organizations and employees of the Company. According to the operation and management requirements and internal and external environments of the Company, we reviewed, revised and improved the risk management supervision system every two years. From 2022, we conducted an annual integrity assessment of core employees; reviewed the integrity of personnel to be promoted and appointed. We carried out targeted checks on all complaints, audit transfers, and the threads of on-site inspection.

In the first half of 2024, the Group established a "Sino-Ocean Group Risk Early Warning System" to establish key early warning indicators that can be quantified including operation, finance, litigation, and public opinion, including housing preservation, repayment, light asset expansion, equity, cash flow, major dispute cases, major public opinion matters, etc., regularly conducted risk monitoring, determined risk levels, and conducted "lighting" early warnings to achieve hierarchical control. At the same time, the Group established a dynamic adjustment mechanism for indicators to monitor whether the established indicators are applicable under the current situation, and dynamically adjust the indicators and content when external conditions changed, and further enhance the Group's risk early warning and management capabilities.

In order to ensure sustainable operation, the Group has established a complete set of tax management systems with reference to relevant laws and regulations for the purpose of tax management, including the "Sino-Ocean Group Tax-related Control Measures (Trial Version)" and the "Sino-Ocean Group Financial Budget Professional VAT Invoice Management Measures", etc., and according to the Group's tax risk management objectives and organizational structure settings, the Group assessed the daily tax-related treatments of companies within the Group. Relevant systems are continuously being improved and updated to ensure effectiveness.

Develop Sustainable Healthy Products

Currently, product quality and delivery capacity have become the core competitiveness of real estate enterprises. As a practitioner of high-quality delivery, the Group has always adhered to the concept of "Building·Health", adhered to the intensive research of products, precision craftsmanship, and continuously improved product quality.

As of June 2024, the "Sino-Ocean Healthy Building System" independently developed by Sino-Ocean Group has been applied in over 50 cities and 145 projects across China, covering an area of over 27 million sq.m. As the first enterprise to introduce the WELL standard into China, Sino-Ocean Group has always maintained the professionalism, leadership and sustainability of healthy buildings. So far, 30 projects have completed the WELL registration, and 14 projects have officially obtained the WELL final certification.

In the craftsmanship system of Sino-Ocean Group, many unique IPs have been deposited. The "uniform standards for product construction" makes the construction period and quality of the project more guaranteed; the implementation of the "Precision Process System" makes the product details polished to the "millimeter level"; through the implementation of "Healthy Future Factory" across China, the delivery scene can be displayed in advance; the "Super Live Site Viewing" living house construction achieved a closer link with the owners, making the waiting period before delivery more reassuring; the implementation of "one household, one file" allowed the owners to receive the construction file of the house simultaneously when receiving the house, and the key construction links can be checked and traced.

With the "Healthy Future Factory" projects such as Neo-metropolis (Tianjin), Fantastic Time (Jinan), and Sino-Ocean Landscape (Qingdao) being unveiled one after another this year, as of 30 June 2024, the Group has completed 23 "Healthy Future Factories", which demonstrated the responsibility value of "Building·Health" while consolidating high-quality products and services.

Many projects delivered in this year have also fully demonstrated the Group's first-class standards and professional strength in healthy construction and craftmanship quality. As the first residential project in China to obtain whole-community Well V2 gold certification and the only residential project in Shanghai listed in the "Top Ten Quality Works in China", Hongqiao Origin (Shanghai) has completed high-quality delivery; Ocean Prospect (Xiamen) was known as "screen saver-like" delivery due to the high-quality delivery of products with unique new Chinese cultural heritage; Scenert East obtained 100% delivery satisfaction due to the first property owner in Zhangjiagang to participate in the high-quality delivery of the co-built community; Ocean Orient (Tianjin) has become a high-quality living sample in the airport area due to a high-quality delivery rate of 100% as improved community of the airport.

With its strong product and delivery capabilities in recent years, the Group ranked 18th in the list of "Delivery Capacity of China Real Estate Enterprises of the Year" in various industry evaluations in the first half of this year, and won the award of "Quality Delivery of Real Estate Enterprises of the Year".

During the process of ensuring the quality delivery of sustainable and healthy products, safety production is a top priority. Safety production has become one of the important indicators for the assessment of front-line project teams. It has been included in the professional company's business responsibility letter, and as a bottom-line indicator, it is related to the annual operating assessment scores of relevant units, which affects the available labor costs. According to the existing system and process, the Group has set the 2024 safety target and taken the following measures to ensure the achievement of the annual target:

- Major risk management and control. Continuously improve the full-cycle management and control capabilities of major safety risks in development projects; effectively improve the management and control standards of major safety risks in non-development projects; phased theme activities and accident risk early warning and pre-control.
- Hidden danger investigation and management. Supervise all units to organize internal high-frequency safety inspections; targeted support for key and shortcoming projects of the Group; rectification and management improvement of major hidden dangers.
- Use of digital tools. Continue to conduct online operation and dynamic correction of core actions such as plan review, expert demonstration, and process evaluation through "Ocean Quality Manufacturing". Conduct in monthly and weekly inspections through "Ocean Quality Manufacturing".
- Project review and special research. Organize and carry out special project review and achievement learning sharing of common outstanding problems; comprehensively do a good job in targeted training of the system.
- Safety system operation. Organize a plenary meeting of the Group's Safety Committee to study and summarize the problems encountered in the implementation of the safety system of each business unit, and arrange and deploy the key work of the Group's safety management.

Create Sustainable Green Environment

Certificate

Certificate Number : CH 50620483 0001

Report Number : SHI50208 001

License Holder: Beijing Skyriver CBD Property Co.,Ltd. Unit 501, Building 5, Middle East Fourth Ring Road Chaoyang District, Beijing P.R.China

Project Name: Z6 Plot Project In the Core area of Beijing CBD (Commercial Office)

Certification Mark :

德国莱茵TÜV
净零碳建筑

TÜVRheinland 认证

www.tuv.com
ID 0000086285

Certification acc. to : 2PfG CH0026.21

Certification Scheme : Document assessment + Surveillance Audit after certification

Certified Project Information

Project Type	:	Commercial Office
Project Name	:	Z6 Plot Project In the Core area of Beijing CBD (Commercial Office)
Certification Requirement	:	This project has passed the assessment and audit successfully, according to the program of Net-Zero Carbon Building Evaluation scheme delivered by BRE China and TÜV Rheinland China, which includes: 1. The calculated GHG emission quantity of new building meets the Net-Zero Carbon emission standard. Remark: all the audited data are based on those submitted by the client 2. The GHG management system assessment: Outstanding

This English version is translation of the original certificate CH50620483 001, issued on 13th March, 2024. For any objection refer to Chinese Version.

Date of Issue : 2024-03-13

Valid till : 2027-03-12

Certification Body : TÜV Rheinland (China) Ltd

Certifier Signature : Dipl.-Ing. Matthias Grzam

TÜV Rheinland (China) Ltd. is the certification body established by TÜV Rheinland International GmbH in China. This certificate is based on Testing and Certification Regulation of TÜV Rheinland (China) Ltd., and states the conformity of the product with the requirements of China Mark certification scheme.

TÜV Rheinland (China) Ltd.

Room 301, 3F and Room 1203, 12F, Building C, CATIC Plaza, No. 15, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China, Tel: +86 10 85242222 E-mail: info@bj.chn.tuv.com http://www.tuv.com

The Group actively promoted Sino-Ocean "2050 Net Zero Emissions" project to help achieve the goal of carbon neutrality. The Group encouraged and advocated internal teams and external partners, suppliers, merchants, tenants, etc. to actively implement the concept of sustainable development and responsible performance through the establishment of the "Sino-Ocean Group Responsibility Role Model Award". In the 13th "2023 Responsibility Style Award" completed in the first half of 2024, the Sino-Ocean Construction Technology Quality Center team was awarded the Best Sustainable Development Team. It achieved a reduction of 10,489 tons of carbon using its self-developed "Low Carbon Concrete Application Technology Research" and pilot applications.

The CBD Z6 project successfully passed the review of the "Net Zero Carbon Building Evaluation System" in March this year, becoming the first super high-rise office building in China to obtain the "Net Zero Carbon Excellence Level Certification", filling the gap in the net zero carbon building certification of super high-rise office buildings in first-tier cities in China. During the development and construction process, the CBD Z6 project has always followed the concept of "green, healthy and sustainable", formulated a whole life cycle carbon reduction plan from planning, design, construction to operation, focusing on improving net zero carbon energy supply, paying attention to carbon emissions, green electricity usage rate and other energy utilization indicators; and through rooftop photovoltaic panels, high-efficiency computer rooms, intelligent dimming in the atrium, energy gravity potential energy feedback elevators, low-carbon building materials procurement, green electricity trading and many other advanced technology applications to promote carbon emission reduction. The project team won the "Best Sustainable Development Team Award" in 2023.

As for promoting social "Net Zero", in 2024, the Group, as the World Wildlife Fund (WWF) China "Earth Hour" promotion partner, actively advocated social "Zero Carbon" awareness and cultivated public low-carbon behavior habits. On the day of the "Earth Hour" event, the Group worked with various partners to turn off unnecessary lights in more than ten buildings, including Ocean Plaza (Beijing), Ocean International Center (Beijing), Grand Canal Place (Beijing) and Grand Canal Place (Hangzhou), to "Give an Hour to the Earth" to promote energy conservation and emission reduction. This low-carbon advocacy event reached nearly 10 million people, and widely disseminated the concept of Sino-Ocean 2050 "net zero emissions", giving play to the leading role of the Group's ESG industry.

The "Earth Hour" in Ocean Metropolis (Tianjin)

The Group gave high priority to working with stakeholders to jointly protect the environment. In the first half of 2024, the Group advocated and encourage tenants, residents and other customers to jointly practice environmental protection, and set environmental protection clauses in various business agreements signed with it.

Forge a Culture of Sustainable Commitment

Employees and culture are the cornerstone of the sustainable development of an enterprise. The Group is committed to promoting the physical and mental health of employees and shaping a corporate culture that emphasizes duty and responsibility.

In the first half of 2024, the Group gave high priority to the physical health and mental health of its employees, and has launched the "Sino-Ocean Employee Health Care Program" to maintain the wholesome morale of employees, improve their work efficiency and quality of life, and pay attention to the diversity and equal development of employees, so as to create greater value for the enterprise and society.

In addition, through the "2023 Golden Sail Award", the Group also recognized 64 outstanding projects, individuals and teams that promoted the Company's sustainable operation, took responsibility and dared to act; through the "2023 Responsible Fashion Award", 45 outstanding teams, individuals, partners, sustainability pioneer suppliers, tenants/merchants, etc. who actively practiced the concept of sustainability and promoted the "Sino-Ocean 2050 Net Zero Emission Project" were recognized, and sustainable culture was continuously promoted internally and externally to help the healthy development of enterprises.

The Group has always adopted diversified performance appraisal methods, implemented event-centered and result-oriented appraisal concepts, decomposed the Group's core performance indicators and key and difficult issues into the performance appraisal of managers and employees at all levels, and identified and identified outstanding talents through the appraisal, setting a role model. At the same time, the Group conducted performance feedback and boosted confidence and morale and continuously improved employee performance.

Build Sustainable Cities and Communities Together

Building sustainable cities and communities is deemed as the responsibility by Sino-Ocean Group, which takes practical actions to create a harmonious and beautiful community atmosphere. In the first half of 2024, as one of the platforms for the Group to practice corporate citizenship and continue to help community building, Sino-Ocean's "Small Citizen" Growth Practice Base continued to promote in communities around the world. In the base, Sino-Ocean Charity Foundation, the Institute of Sports Medicine under the General Administration of Sport of China and Sino-Ocean Service jointly organized the "Straighten Spine" Youth Spine Health Screening Free Clinic. The activities have covered Shenzhen, Shanghai, Beijing, Dalian and other cities one after another. Through community screenings, health lectures and other forms, it has aroused the concern and attention of all sectors of society to adolescent spine health.

Unveiling "Young Citizens" Growth and Practice Bases

The 8th Ocean Marathon in Neo-metropolis (Tianjin)

Students from various sponsored schools participated in the "Welcome June 1" children's cloud art class and created art with the theme of "The Grand Canal and the Twenty-Four Solar Terms"

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 2024, we have launched activities including Healthy and Beneficial Exercises for All – the 8th Ocean Marathon, Little Partner Education Sponsorship Scheme – Cloud Art Class, driving customers, industries and social citizens to undertake social responsibility.

On 31 May 2024, Sino-Ocean Charity Foundation received a donation from the Kempinski Hotels Group, and joined hands with partners such as Grand Canal Place (Beijing) and Vision Creative to jointly welcome students from eight long-term subsidized schools in different provinces and cities, including Huangcaoba Primary School in Wenshan City, Yunnan Province, Fuhe Hope Primary School in Haraqin Township, Inner Mongolia, Gansu Jiaogong Central Primary School, Laigu Bayi Middle School in Beichuan Qiang Autonomous County, Sichuan Province, and Qinghe Complete Middle School in Altay Prefecture, Xinjiang. Students from eight long-term subsidized schools from different provinces and cities participated in a "Welcome June 1" children's cloud art class, bringing fresh and interesting knowledge and experience to them through online communication.

Meanwhile, for the purpose of encouraging more people to practice social responsibility, Grand Canal Place (Beijing) has carefully prepared 40 colorful tents for the children, and the children have become "small stall owners" to sell their own idle items and handmade works, achieved resources recycle and practiced the concept of low-carbon life.

Under the challenges of the current real estate market and its business environment, the requirements for the sustainable development of enterprises are still increasing. In the future, Sino-Ocean Group will continue to practice the philosophy of "Building·Health", adhere to "serving customers with an artisan's spirit", continue to pursue sustainable and high-quality development, and keep to work with various stakeholders to create a healthy and sustainable future.

DISCLOSURE OF INTERESTS

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

As at 30 June 2024, 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

		As at 30 June 2024			
Name of Directors	**Capacity/ nature of interest**	**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	–	65,445,000	0.859%
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	600,000	1,060,000	0.014%
Mr. JIN Qingjun	Beneficial owner	120,000	600,000	720,000	0.009%
Mr. LYU Hongbin	–	–	–	–	–
Mr. LIU Jingwei	–	–	–	–	–
Mr. JIANG Qi	–	–	–	–	–

Notes:

(i) The share options were granted pursuant to the 2018 Option Scheme, details of which are set out in the section 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 2024.

Long position in the shares of the associated corporation

Name of Director	Name of associated corporation	Capacity/ nature of interest	As at 30 June 2024	
			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 2024.

Save as disclosed above, none of the Directors nor the chief executives of the Company had any interest 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 2024 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 as set out in the section headed "SHARE OPTION SCHEME OF THE COMPANY" in this report, at no time during the six months ended 30 June 2024, 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 2024, 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 2024	
			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.

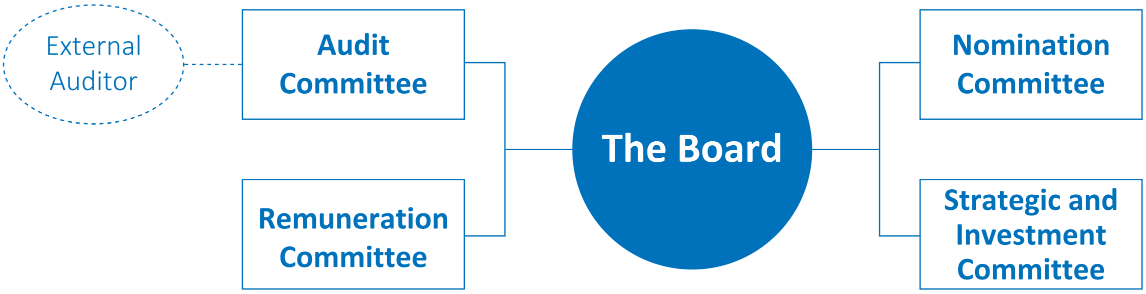
(ii) The 2,252,646,115 Shares were registered in the name of, and beneficially owned by, Dajia Life Insurance. Dajia Insurance Group was interested in 99.98% of Dajia Life Insurance. Dajia Insurance Group was deemed to be interested in these Shares by virtue of the SFO.

(iii) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 30 June 2024.

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 2024 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 2024, to its corporate governance structure and practices as described in the annual report of the Company for the year ended 31 December 2023 and complied with the applicable code provisions of the CG Code throughout the six months ended 30 June 2024, 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 very substantial disposal and 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 interim condensed consolidated financial statements for the six months ended 30 June 2024 has been reviewed by the auditor of the Company, BDO, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on pages 51 to 53 of this report.

AUDIT COMMITTEE

After Mr. JIN Qingjun ceased to be a member of the Audit Committee and Mr. CHEN Guogang was appointed as a member of the Audit Committee with effect from 29 August 2024, the Audit Committee consists of three INEDs namely Mr. LIU Jingwei, Mr. LYU Hongbin and Mr. CHEN Guogang 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.

During the six months ended 30 June 2024 and prior to 29 August 2024, 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 2023, unaudited interim results and the interim report for the six months ended 30 June 2024 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 2024 (six months ended 30 June 2023: Nil).

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 2024.

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 2 April 2024 (being the latest practicable date prior to the issue of the annual report of the Company for the year ended 31 December 2023) to the Latest Practicable Date required to be disclosed are set out below:

- Mr. ZHANG Zhongdong, a NED, was appointed as a consultant of the Company on 5 June 2024 to provide engineering management consultancy and miscellaneous advice to certain subsidiaries of the Company for a term of one year commencing from 1 April 2024 with a remuneration of not exceeding RMB1,240,000 per annum.
- Mr. YU Zhiqiang, a NED, was appointed as a consultant of the Company on 5 June 2024 to provide financial management consultancy and miscellaneous advice to certain subsidiaries of the Company for a term of one year commencing from 1 April 2024 with a remuneration of not exceeding RMB1,100,000 per annum.
- Mr. JIANG Qi stepped down as the chief officer of Beijing Hylands (Shenzhen) Law Firm with effect from 16 April 2024.
- Mr. JIN Qingjun was appointed as an independent director of Zhongtai Securities Co., Ltd.* (中泰證券股份有限公司), a company listed on The Shanghai Stock Exchange, with effect from 29 April 2024.
- Mr. LIU Jingwei ceased to be an independent director of Beijing StarNeto Technology Co., Ltd.* (北京星網宇達科技股份有限公司), a company listed on The Shenzhen Stock Exchange (the "Shenzhen Stock Exchange"), with effect from 22 May 2024.

- Mr. ZHAO Peng resigned as a vice chairman of Financial Street Holdings Co., Ltd., a company listed on the Shenzhen Stock Exchange, with effect from June 2024.
- Mr. CUI Hongjie ceased to be the general manager of the construction management centre of the Company with effect from 18 July 2024.
- Ms. CHAI Juan is entitled to receive an annual salary not exceeding RMB2,050,000 (including the basic salary and discretionary bonus to be determined by the Remuneration Committee having regard to the operating results of the Group). Such emoluments were determined with reference to her performance, duties and responsibilities undertaken in the Company and the prevailing market conditions, as approved by the Remuneration Committee on 27 May 2024.
- Mr. CHEN Guogang was appointed as an INED with effect from 29 August 2024.
- Mr. JIN Qingjun resigned as an INED with effect from 29 August 2024.
- Mr. CHEN Guogang was appointed as a member of each of the Audit Committee and the Nomination Committee, and Mr. JIN Qingjun ceased to be a member of each of the Audit Committee and the Nomination Committee with effect from 29 August 2024.

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 2024, 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 2024 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 2024	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2024
Directors						
Mr. LI Ming	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	50,000,000	(50,000,000)	–
Mr. HAN Xiaojing	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	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				**52,400,000**	**(51,200,000)**	**1,200,000**
Other employees of the Group (Note iv)	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	455,528,565	(455,528,565)	–
Total				**507,928,565**	**(506,728,565)**	**1,200,000**

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 2024, no share option was granted, exercised or cancelled with respect to the 2018 Option Scheme.

(iii) During the six months ended 30 June 2024, no share option was held by the five highest paid individuals of the Group.

(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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the sale of treasury shares, if any) of the Company during the period under review. As at 30 June 2024, the Company did not hold any treasury shares.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2024, 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 2024 is presented as follows:

	RMB (million)
Non-current assets	23,587
Current assets	82,473
Current liabilities	(57,874)
Non-current liabilities	(28,556)
Net assets	**19,630**

The Group's attributable interest in the affiliated companies as at 30 June 2024 amounted to approximately RMB9,671 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 2024.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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To the Board of Directors of Sino-Ocean Group Holding Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We were engaged to review the interim condensed consolidated financial statements set out on pages 54 to 98, which comprises the interim condensed consolidated statement of financial position of Sino-Ocean Group Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2024 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the "Hong Kong Institute of Certified Public Accountants" ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS FOR DISCLAIMER OF CONCLUSION

Multiple Uncertainties Relating to Going Concern

The Group incurred a net loss of approximately RMB5.32 billion for the period ended 30 June 2024 and, as disclosed in Note 19 to the interim condensed consolidated financial statements, the Group had total borrowings of approximately RMB96.67 billion, of which the current borrowings amounted to approximately RMB58.71 billion, while the Group had cash and cash equivalents of approximately RMB1.71 billion only.

As of 30 June 2024, the total principal and interest amounts of two of the Group's onshore bonds are approximately RMB3.50 billion which has already matured but has not been repaid. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the bondholders regarding the repayment adjustment arrangements.

In view of the Group's tight liquidity position, on 15 September 2023, the Group announced to commence a holistic restructuring of its offshore debts ("Offshore Debt Restructuring") and to suspend payments of all its offshore debts (except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors) until the Offshore Debt Restructuring and/or extension solutions are implemented. The Offshore Debt Restructuring is still in progress and the trading in the offshore USD securities on The Stock Exchange of Hong Kong Limited has been suspended. These offshore debts include various existing syndicated loans and bilateral loan with carrying amount of approximately RMB13.69 billion; six USD-denominated guaranteed notes with carrying amount of approximately RMB22.04 billion and one USD-denominated perpetual subordinated guaranteed capital securities with carrying amount of approximately RMB4.70 billion as at 30 June 2024, totaling RMB40.43 billion (principal amount approximately USD5.64 billion). Due to the suspended payments, the Group has received demand letters, acceleration notices and other legal letters with respect to certain offshore debts, and these letters are expected to be withdrawn when the restructuring plan successfully proceeds. Additionally, on 27 June 2024, the Company received a winding-up petition (the "Petition") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the interest of the 3.25% guaranteed notes due 2026 issued by Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company and guaranteed by the Company in the aggregate principal amount of approximately USD0.4 billion and accrued interests. The Company is opposing the Petition vigorously. The High Court has set the first hearing date for the Petition on 11 September 2024.

In addition, the Group has involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of several projects and other matters for which the Group has made provision. Detail as disclosed in Note 28 to the interim condensed consolidated financial statements.

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

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in the Note 2.1 to the interim condensed consolidated financial statements. The validity of going concern assumption on which the interim condensed consolidated financial statements have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including, but not limited to:

- Successful obtaining approvals on the extension plans from the bondholders of two onshore bonds with maturity dates in 2024;
- Successful implementation of the Offshore Debt Restructuring;
- The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;
- Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the project construction projects and generated sufficient cash flows therefrom;
- The Group's ability to successfully obtain additional new financing as and when needed;
- The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers;
- The Group's ability to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and
- Successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

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

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in Note 2.1 to the interim condensed consolidated financial statements, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2023 relating to the going concern basis of preparing the consolidated financial statements. Any adjustments to the balances as at 31 December 2023 would affect the balances of these interim condensed consolidated financial statements items as at 1 January 2024 and the corresponding movements, if any, during the six months ended 30 June 2024. The balances as at 31 December 2023 are presented as corresponding figures in the interim condensed consolidated statement of financial position as at 30 June 2024. We disclaimed our review conclusion on the interim condensed consolidated financial statements for the six months ended 30 June 2024 also for the possible effect of the disclaimer of audit opinion on the consolidated financial statements for the year ended 31 December 2023 on the comparability of 2023 figures and 2024 figures in these interim condensed consolidated financial statements.

DISCLAIMER OF CONCLUSION

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

OTHER MATTER

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2023. The comparative information for the interim condensed consolidated statements of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows and the related notes, for the period ended 30 June 2023 has not been audited or reviewed.

BDO Limited
Certified Public Accountants

Chan Wing Fai
Practicing Certificate no. P05443
Hong Kong
28 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Unaudited Six months ended 30 June	
	Notes	**2024**	2023
		RMB'000	RMB'000
Revenue	6	**13,313,451**	20,806,596
Cost of sales		**(13,016,643)**	(20,931,389)
Gross profit/(loss)		**296,808**	(124,793)
Interests and other income		**353,276**	476,630
Other losses — net	21	**(478,723)**	(1,193,515)
Fair value change on investment properties	9	**(292,770)**	150,368
Selling and marketing expense		**(282,350)**	(572,267)
Impairment loss on financial assets		**(296,780)**	(11,294,463)
Impairment loss on assets classified as held for sale	15	**(1,706,630)**	–
Administrative expense		**(657,843)**	(815,519)
Operating loss		**(3,065,012)**	(13,373,559)
Finance costs	22	**(1,874,864)**	(1,881,267)
Share of results of joint ventures		**(751,265)**	(1,255,889)
Share of results of associates		**(55,983)**	(1,405,411)
Loss before income tax		**(5,747,124)**	(17,916,126)
Income tax credit/(expense)	23	**429,950**	(393,264)
Loss for the period		**(5,317,174)**	(18,309,390)
Attributable to:			
— Owners of the Company		**(5,381,705)**	(18,369,229)
— Non-controlling interests		**64,531**	59,839
		(5,317,174)	(18,309,390)
Loss per share attributable to owners of the Company during the period (expressed in RMB)			
Basic loss per share	24	**(0.707)**	(2.412)
Diluted loss per share	24	**(0.707)**	(2.412)

The notes on pages 61 to 98 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Loss for the period	**(5,317,174)**	(18,309,390)
Other comprehensive (loss)/income, net of tax		
Items that will not be reclassified subsequently to profit or loss		
Fair value change on financial assets at fair value through other comprehensive income, net of tax	**(43,829)**	4,961
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(133,173)**	(372,000)
Deferred hedging gains	**–**	56,486
Share of other comprehensive income of investments accounted for using the equity method	**(313,407)**	2,089
Other comprehensive loss for the period	**(490,409)**	(308,464)
Total comprehensive loss for the period	**(5,807,583)**	(18,617,854)
Total comprehensive (loss)/income attributable to:		
— Owners of the Company	**(5,900,271)**	(18,826,273)
— Non-controlling interests	**92,688**	208,419
Total comprehensive loss for the period	**(5,807,583)**	(18,617,854)

The notes on pages 61 to 98 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	**3,453,327**	3,492,480
Right-of-use assets		**1,689,000**	1,745,946
Land use rights	7	**185,421**	212,009
Intangible assets	8	**378,849**	400,164
Goodwill		**1,233,967**	1,243,182
Investment properties	9	**13,521,123**	15,857,341
Interests in joint ventures	10	**14,042,011**	18,679,921
Interests in associates	11	**3,693,972**	3,915,886
Financial assets at fair value through other comprehensive income	12	**765,177**	777,280
Financial assets at fair value through profit or loss	13	**4,439,113**	4,748,336
Trade and other receivables and prepayments	14	**6,909,243**	6,878,282
Deferred income tax assets		**2,141,219**	2,207,743
Total non-current assets		**52,452,422**	60,158,570
Current assets			
Properties under development		**43,986,107**	48,516,015
Inventories, at cost		**958,214**	1,379,381
Land development cost recoverable		**1,301,168**	1,279,428
Completed properties held for sale		**25,985,110**	26,713,610
Financial assets at fair value through profit or loss	13	**624,495**	646,833
Trade and other receivables and prepayments	14	**61,570,367**	62,409,893
Contract assets		**91,801**	46,590
Restricted bank deposits		**2,999,880**	3,033,268
Cash and cash equivalents		**1,708,972**	1,988,738
		139,226,114	146,013,756
Assets classified as held for sale	15	**3,815,324**	–
Total current assets		**143,041,438**	146,013,756

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Current liabilities			
Borrowings	19	**58,713,306**	69,750,588
Lease liabilities		**203,775**	150,898
Trade and other payables	20	**49,752,277**	49,096,209
Contract liabilities		**16,661,696**	20,872,878
Current tax payable		**14,304,616**	14,560,975
Financial liabilities at fair value through profit or loss		**–**	33,764
Total current liabilities		**139,635,670**	154,465,312
Non-current liabilities			
Borrowings	19	**37,955,314**	26,392,734
Lease liabilities		**1,783,283**	1,822,109
Trade and other payables	20	**669,677**	683,491
Deferred income tax liabilities		**1,305,129**	2,016,697
Total non-current liabilities		**41,713,403**	30,915,031
Net assets		**14,144,787**	20,791,983
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	**27,329,232**	27,329,232
Shares held for Restricted Share Award Scheme	16	**–**	–
Reserves		**(8,497,960)**	(7,854,369)
Accumulated losses		**(17,828,011)**	(12,446,306)
		1,003,261	7,028,557
Non-controlling interests		**13,141,526**	13,763,426
Total equity		**14,144,787**	20,791,983

The notes on pages 61 to 98 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	Accumulated losses RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2024 (Audited)	27,329,232	–	(7,854,369)	(12,446,306)	7,028,557	2,579,796	4,570,097	6,613,533	20,791,983
Loss for the period	–	–	–	(5,381,705)	(5,381,705)	73,222	148,190	(156,881)	(5,317,174)
Fair value change on financial assets at fair value through other comprehensive income, net of tax	–	–	(43,829)	–	(43,829)	–	–	–	(43,829)
Currency translation differences	–	–	(161,330)	–	(161,330)	–	(21,390)	49,547	(133,173)
Share of other comprehensive income of investments accounted for using the equity method	–	–	(313,407)	–	(313,407)	–	–	–	(313,407)
Total comprehensive loss, net of tax	–	–	(518,566)	(5,381,705)	(5,900,271)	73,222	126,800	(107,334)	(5,807,583)
Transaction with owners of the Company									
Distribution to non-controlling interests	–	–	–	–	–	–	–	(240,443)	(240,443)
Total contributions by and distributions to owners of the Company	–	–	–	–	–	–	–	(240,443)	(240,443)
A subsidiary becomes a joint venture	–	–	–	–	–	–	–	(546,350)	(546,350)
Acquisition and disposal of partial interests in subsidiaries	–	–	(125,025)	–	(125,025)	–	–	72,205	(52,820)
Total transactions with owners of the Company	–	–	(125,025)	–	(125,025)	–	–	(714,588)	(839,613)
Balance at 30 June 2024 (Unaudited)	27,329,232	–	(8,497,960)	(17,828,011)	1,003,261	2,653,018	4,696,897	5,791,611	14,144,787

	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 guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
Balance at 1 January 2023 (Audited and restated)	27,329,232	(1,062)	(7,337,248)	8,650,235	28,641,157	2,359,000	4,349,689	9,429,815	44,779,661
Loss 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 , net of tax	–	–	(457,044)	(18,369,229)	(18,826,273)	101,471	297,562	(190,614)	(18,617,854)
Transaction 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 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 (Unaudited and restated)	27,329,232	–	(7,975,933)	(9,718,994)	9,634,305	2,444,530	4,499,401	6,173,452	22,751,688

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	**677,402**	4,980,965
Interest paid	**(493,167)**	(2,536,404)
Income tax paid	**(13,735)**	(691,089)
Net cash generated from operating activities	**170,500**	1,753,472
Cash flows from investing activities		
Advances to associates and joint ventures	**(5,660,735)**	(14,223,103)
Capital injection in joint ventures	**(282,465)**	(88,441)
Repayment of advances to business partners	**–**	60,000
Repayment of advances to associates and joint ventures	**5,867,994**	15,667,637
Others	**366,852**	3,674,441
Net cash generated from investing activities	**291,646**	5,090,534
Cash flows from financing activities		
Proceeds from borrowings	**725,744**	5,901,461
Repayments of borrowings	**(1,109,773)**	(13,326,525)
Others	**(360,558)**	(862,072)
Net cash used in financing activities	**(744,587)**	(8,287,136)
Net decrease in cash and cash equivalents	**(282,441)**	(1,443,130)
Cash and cash equivalents at the beginning of the period	**1,988,738**	4,623,126
Exchange gains/(losses) on cash and cash equivalents	**2,675**	(34,361)
Cash and cash equivalents at end of the period	**1,708,972**	3,145,635

The notes on pages 61 to 98 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

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

The interim condensed consolidated financial statements have not been audited and is presented in Renminbi ("RMB"), unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial statements were approved for issue on 28 August 2024 by the Board of directors of the Company (the "Board").

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this interim condensed consolidated financial statement should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The financial information relating to the year ended 31 December 2023 that is included in the interim condensed consolidated financial statements for the six months ended 30 June 2024 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 2023 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 2023 was disclaimed; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.1 Going concern assumption

The Group incurred a net loss of approximately RMB5.32 billion for the period ended 30 June 2024 and, as disclosed in Note 19 to the interim condensed consolidated financial statements, the Group had total borrowings of approximately RMB96.67 billion, of which the current borrowings amounted to approximately RMB58.71 billion, while the Group had cash and cash equivalents of approximately RMB1.71 billion only.

As of 30 June 2024, the total principal and interest amounts of two of the Group's onshore bonds are approximately RMB3.50 billion which has already matured but has not been repaid. As of the approval date of the interim condensed consolidated financial statements, the Group is still in communication with the bondholders regarding the repayment adjustment arrangements.

In view of the Group's tight liquidity position, on 15 September 2023, the Group announced to commence a holistic restructuring of its offshore debts ("Offshore Debt Restructuring") and to suspend payments of all its offshore debts (except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors) until the Offshore Debt Restructuring and/or extension solutions are implemented. The Offshore Debt Restructuring is still in progress and the trading in the offshore USD securities on The Stock Exchange of Hong Kong Limited has been suspended. These offshore debts include various existing syndicated loans and bilateral loan with carrying amount of approximately RMB13.69 billion; six USD-denominated guaranteed notes with carrying amount of approximately RMB22.04 billion and one USD-denominated perpetual subordinated guaranteed capital securities with carrying amount of approximately RMB4.70 billion as at 30 June 2024, totaling RMB40.43 billion (principal amount approximately USD5.64 billion). Due to the suspended payments, the Group has received demand letters, acceleration notices and other legal letters with respect to certain offshore debts, and these letters are expected to be withdrawn when the restructuring plan successfully proceeds. Additionally, on 27 June 2024, the Company received a winding-up petition (the "Petition") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the interest of the 3.25% guaranteed notes due 2026 issued by Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company and guaranteed by the Company in the aggregate principal amount of approximately USD0.4 billion and accrued interests. The Company is opposing the Petition vigorously. The High Court has set the first hearing date for the Petition on 11 September 2024.

In addition, the Group has been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of several projects and other matters for which the Group has made provision. Details are disclosed in Note 28 to the interim condensed consolidated financial statements.

During the period ended 30 June 2024, the real estate sector in the PRC continued to experience volatility. This mainly includes the continued downturn of property market and the deteriorating consumer sentiment in the PRC, resulting in the whole real estate sector suffering from short-term liquidity pressures. As a result, contracted sales of Chinese property developers have generally decreased and the Group also experienced a significant decline of its contracted sales.

The Group's internal funds were progressively shrinking. The Group also experienced liquidity pressure due to limited access to external capital to finance its construction projects. The current macroeconomic conditions and the timing of recovery in real estate industry has brought additional material uncertainties to the Group. It may be more challenging for the Group to generate operating cash inflows or refinance guaranteed notes, corporate bond and bank and other borrowings than it has historically been.

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

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.1 Going concern assumption (Continued)

In view of these circumstances, the directors of the Company have carefully considered the Group's cash flow forecast for the next twelve months from 30 June 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

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

  As of the date of the approval of the interim condensed consolidated financial statements, adjusted principal and interest repayment arrangements have been made in respect of seven onshore corporate bonds with total outstanding principal amount of approximately RMB13.27 billion. Under the adjusted arrangements, the repayment of the relevant onshore corporate bonds has been extended to pay in accordance with repayment schedules from one to five years.

  As of the date of the approval of the interim condensed consolidated financial statements, one of the Group's onshore bonds, with a principal amount of approximately RMB2.00 billion and originally set to mature in 2025, had its maturity date extended with the agreement of bondholders at their meeting. The repayment of the bond has been extended to pay in accordance with repayment schedules from one to four years.

  In respect of another onshore bond, with a principal amount of RMB3.00 billion and originally set to mature in January 2024, had an exchange offer initiated by the Group, 91.40% of bondholders, representing principal amount of approximately RMB2.74 billion in total, agreed to exchange for a new onshore bond at an interest rate of 4.6% with repayment scheduled from 2025 to 2026. The Group is actively communicating with the remaining bondholders, representing the principal amount of approximately RMB0.26 billion in total, on the extension plans.

  As of the date of the approval of the interim condensed consolidated financial statements, the Group was still actively communicating with bondholders of one onshore bond with a principal amount of approximately RMB3.13 billion and maturity date in 2024 on the extension plans.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.1 Going concern assumption (Continued)

— The Group has been actively working with its advisors to formulate a practicable restructuring proposal for the Group's offshore debts. Following the announcement dated on 15 September 2023, the Group has initiated the Offshore Debt Restructuring and has engaged professional experts to assist in assessing and formulating an optimal solution for its existing capital structure and liquidity challenges.

On 18 July 2024, the Group announced a holistic debt management proposal to restructure the debts under the Company along with some of its wholly-owned subsidiaries. The restructuring scope encompasses the existing debt instruments, comprising the various existing syndicated loans, the existing bilateral loan and the existing notes, with an aggregate outstanding principal amount of approximately USD5.64 billion in total.

The restructuring, based on the drafted liquidation analysis report issued by independent liquidation analysis service provider, classified creditors into four classes with the specified allocation ratio for distributing the new loan or notes (the "New Debts"). Creditors have an option to choose between two-year mandatory convertible bonds (the "MCBs") or 1% interest-bearing new perpetual securities (the "perpetual securities") for the residual debts after deducting the New Debts.

When the restructuring plan is successfully implemented, New Debts with a principal amount of USD2.2 billion will be issued, with a maturity of 8 years and starting repayments in the 3rd year in varying proportions until the 8th year. However, there is a deferral mechanism based on the return from a particular project and the performance of the Group which allows the Group to start repayments in the 4th until the 10th year.

The management of the Company has carefully considered the restructuring plan and believes it will be successfully implemented. The plan has already been agreed upon by part of creditors, and active negotiations with the remaining creditors are ongoing to secure their agreement to the restructuring support agreement as soon as possible. The longstop date is set for 31 March 2025, or a later date as may be agreed upon in writing between the Group and the requisite majorities of creditors, subject to any court approval as may be required.

— The Group has been proactive in seeking ways to resolve the Petition, the Board is of the view that the Petition does not represent the interests of other stakeholders and may impair the value of the Group. Therefore, the Group is seeking legal measures to resolutely oppose the Petition and taking all necessary actions to protect the Group's legal rights. Meanwhile, the Company will endeavor to keep active and good communication with the Petitioner, and, adhering to the principle of fairness to other creditors, to negotiate with the Petitioner amicably and properly handle related matters (including making efforts to procure the withdrawal or dismissal of the Petition as soon as possible).

— The Group has been proactive in seeking ways to resolve the outstanding litigations of the Group and continuing to communicate with the plaintiffs. The Group is positive that it can reach an amicable solution on the litigations which have not yet reached a definite outcome.

— The Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions.

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.1 Going concern assumption (Continued)

— The Group will continue to seek to obtain additional new sources of financing through all possible channels such as assets disposal:

On 7 June 2024, the Group entered into a very substantial disposal arrangement with various parties, conditionally agreed to sell an aggregate of 64.79% equity interests in a joint venture and assign the entire loan owing to the Group by the joint venture to the various parties as at the completion of this disposal. For further details, please refer to Note 15.

The net cash consideration of approximately RMB3.8 billion will be settled in accordance with the terms under the sale and purchase agreement. The consideration for the disposal shall be paid in two instalments upon satisfaction of the conditions precedent to the payment of the two instalments. Additionally, the disposal resolution was duly passed as an ordinary resolution on 11 July 2024.

On 5 August 2024, the 64.79% equity interests in the joint venture was successfully transferred to the related parties. The cash consideration payment will be completed subsequently;

— The Group will continue to maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

— The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Subject to the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;

— The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.1 Going concern assumption (Continued)

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

— Successful obtaining approvals on the extension plans from the bondholders of two onshore bonds with maturity dates in 2024;

— Successful implementation of the Offshore Debt Restructuring;

— The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;

— Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the construction projects and generated sufficient cash flows therefrom;

— The Group's ability to successfully obtain additional new financing as and when needed;

— The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers;

— The Group's ability to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and

— Successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

The directors of the Company consider that, assuming the success of the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 30 June 2024. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

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

2. BASIS OF PREPARATION AND PRIOR YEAR ADJUSTMENTS (Continued)

2.2 Restatement due to prior year adjustments for the year ended 31 December 2022

As disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2023, due to (i) restatements in relation to the interests in associates and (ii) restatements in relation to the transaction and balance relating to the funds transferred to a third party for the year ended 31 December 2022, the certain account balance of interim condensed consolidated financial statements as at 1 January 2023 and 30 June 2023 were restated. For details on the prior year adjustments for the year ended 31 December 2022, please refer to the Group's audited consolidated financial statements for the year ended 31 December 2023.

The impact on the Group's interim condensed consolidated financial statements as follows:

	Prior year adjustments for the year ended 31 December 2022			
	(As previously reported) RMB'000	(i) RMB'000	(ii) RMB'000	(As restated) RMB'000
Retained earnings as at 1 January 2023	11,756,560	(410,789)	(2,695,536)	8,650,235
Accumulated losses as at 30 June 2023	(6,612,669)	(410,789)	(2,695,536)	(9,718,994)
Interests in associates as at 1 January 2023	4,847,594	(410,789)	–	4,436,805
Interests in associates as at 30 June 2023	4,586,467	(410,789)	–	4,175,678
Trade and other receivables and prepayments as at 1 January 2023	83,490,813	–	(2,695,536)	80,795,277
Trade and other receivables and prepayments as at 30 June 2023	65,951,399	–	(2,695,536)	63,255,863
Provision for impairment of other receivables as at 1 January 2023	(5,132,691)	–	(2,695,536)	(7,828,227)
Provision for impairment of other receivables as at 30 June 2023	(16,042,485)	–	(2,695,536)	(18,738,021)

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of amendments to standards as set out below.

Amendments to HKFRS 16 Leases	Lease liability in a Sale and Leaseback
Amendments to HKAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1 Presentation of Financial Statements	Non-current Liabilities with Covenants
Amendments to HKAS 7 Statement of Cash Flows and HKFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements

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

The Group has not early adopted any of the new or amendments to standards and interpretations which have been published but not yet effective for financial period beginning on 1 January 2024.

4. ESTIMATES

The preparation of the interim condensed consolidated 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 interim condensed consolidated 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 2023.

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 interim condensed consolidated 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 31 December 2023.

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

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 so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecast process takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position 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 2024 (Unaudited)					
Borrowings	**63,087,299**	**13,721,558**	**21,432,432**	**7,027,651**	**105,268,940**
Lease liabilities	**314,386**	**224,215**	**636,483**	**1,597,133**	**2,772,217**
Trade and other payables excluding statutory liabilities	**46,087,246**	**669,677**	**–**	**–**	**46,756,923**
	109,488,931	**14,615,450**	**22,068,915**	**8,624,784**	**154,798,080**
At 31 December 2023 (Audited)					
Borrowings	73,545,908	12,083,464	10,763,350	7,416,563	103,809,285
Lease liabilities	259,891	182,975	633,428	1,739,109	2,815,403
Trade and other payables excluding statutory liabilities	45,394,229	627,315	56,176	–	46,077,720
	119,200,028	12,893,754	11,452,954	9,155,672	152,702,408

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 26). 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 to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties;

— which the Group make for its related and third parties' borrowings (Note 26). 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 2024 and 31 December 2023.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2024 (Unaudited)				
Assets				
Financial assets at fair value through profit or loss (Note 13)	**140,984**	**80,746**	**4,841,878**	**5,063,608**
Financial assets at fair value through other comprehensive income (Note 12)	**13,973**	**–**	**751,204**	**765,177**
	154,957	**80,746**	**5,593,082**	**5,828,785**
Liabilities				
Financial liabilities at fair value through profit or loss	**–**	**–**	**–**	**–**
At 31 December 2023 (Audited)				
Assets				
Financial assets at fair value through profit or loss (Note 13)	166,023	89,423	5,139,723	5,395,169
Financial assets at fair value through other comprehensive income (Note 12)	15,856	–	761,424	777,280
	181,879	89,423	5,901,147	6,172,449
Liabilities				
Financial liabilities at fair value through profit or loss	–	(33,764)	–	(33,764)

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 2024 and 2023.

	Financial asset at fair value through other comprehensive income and through profit or loss 2024 RMB'000	Financial assets at fair value through other comprehensive income and through profit or loss 2023 RMB'000
Financial assets in Level 3		
Opening balance (Audited)	**5,901,147**	5,696,195
Additions	**–**	64,959
Increase due to acquisition of a subsidiary	**–**	580,860
Fair value change	**(274,411)**	(224,337)
Currency translation differences	**38,788**	186,015
Disposals	**(72,442)**	(1,000)
Closing balance (Unaudited)	**5,593,082**	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 finance department of the Group 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 and unlisted companies. 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 senior management 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 senior management 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 consider the business from both a geographic and product perspective. From the product perspective, the management considers the performance of property development, property management and property investment. Property development businesses are further segregated geographically.

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

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of other gains/losses from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the executive directors of the Company, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any share of profits/losses from interests in joint ventures and associates as well as fair value change from investment properties, corporate overheads, other gains and losses-net and impairment losses on assets classified as held for sale. Other information provided to the executive directors of the Company, except as noted below, is measured in a manner consistent with that in the financial statements.

Total segment assets exclude corporate cash and cash equivalents, interests in joint ventures and associates, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, deferred income tax assets and assets classified as held for sale, 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 assets and liabilities.

6. SEGMENT INFORMATION (Continued)

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

	Unaudited									
	Property Development									
	Beijing RMB'000	Bohai Rim RMB'000	Eastern China RMB'000	Southern China RMB'000	Central China RMB'000	Western China RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2024										
Total segment revenue	**975,020**	**1,823,092**	**3,938,773**	**1,504,702**	**1,358,195**	**700,122**	**183,285**	**1,436,013**	**2,352,010**	**14,271,212**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**	**–**	**(1,978)**	**(74,537)**	**(881,246)**	**(957,761)**
Revenue (from external customers)	**975,020**	**1,823,092**	**3,938,773**	**1,504,702**	**1,358,195**	**700,122**	**181,307**	**1,361,476**	**1,470,764**	**13,313,451**
Segment operating profit/(loss)	**(223,666)**	**12,540**	**(22,822)**	**(126,771)**	**62,551**	**(134,834)**	**101,690**	**56,415**	**(255,523)**	**(530,420)**
Depreciation and amortization	**(9,055)**	**(137)**	**(735)**	**(523)**	**(1,044)**	**(505)**	**(1,268)**	**(19,275)**	**(147,311)**	**(179,853)**
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 profit/(loss)	(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)

6. SEGMENT INFORMATION (Continued)

	Property Development									
	Beijing RMB'000	Bohai Rim RMB'000	Eastern China RMB'000	Southern China RMB'000	Central China RMB'000	Western China RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
As at 30 June 2024 (Unaudited)										
Total segment assets	**18,733,558**	**16,174,101**	**10,020,993**	**19,504,305**	**14,800,529**	**7,520,292**	**13,826,361**	**4,098,474**	**61,261,634**	**165,940,247**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**1,323**	**59**	**327**	**11,883**	**–**	**20**	**–**	**1,205**	**60,090**	**74,907**
Total segment liabilities	**8,073,120**	**12,702,996**	**7,373,317**	**10,737,842**	**6,002,110**	**4,348,052**	**637,883**	**1,687,520**	**31,812,484**	**83,375,324**
As at 31 December 2023 (Audited)										
Total segment assets	18,956,191	15,850,019	14,392,027	19,716,285	14,895,793	7,542,554	15,709,032	3,794,514	64,310,813	175,167,228
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,627	104	3,492	97	18	12	2,372	24,833	789,730	822,285
Total segment liabilities	8,165,428	12,409,641	11,417,437	12,036,938	7,754,430	4,600,007	1,049,603	1,822,321	27,930,755	87,186,560

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

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Segment operating loss	**(530,420)**	(12,236,482)
Corporate finance income	**56**	128
Corporate overheads	**(56,525)**	(94,058)
Fair value change on investment properties (Note 9)	**(292,770)**	150,368
Other losses — net (Note 21)	**(478,723)**	(1,193,515)
Finance costs (Note 22)	**(1,874,864)**	(1,881,267)
Share of results of joint ventures	**(751,265)**	(1,255,889)
Share of results of associates	**(55,983)**	(1,405,411)
Impairment loss on assets classified as held for sale (Note 15)	**(1,706,630)**	–
Loss before income tax	**(5,747,124)**	(17,916,126)

6. SEGMENT INFORMATION (Continued)

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Total segment assets	**165,940,247**	175,167,228
Corporate cash and cash equivalents	**32,302**	29,099
Interests in joint ventures (Note 10)	**14,042,011**	18,679,921
Interests in associates (Note 11)	**3,693,972**	3,915,886
Financial assets at fair value through other comprehensive income (Note 12)	**765,177**	777,280
Financial assets at fair value through profit or loss (Note 13)	**5,063,608**	5,395,169
Assets classified as held for sale (Note 15)	**3,815,324**	–
Deferred income tax assets	**2,141,219**	2,207,743
Total assets per condensed consolidated statement of financial position	**195,493,860**	206,172,326
Total segment liabilities	**83,375,324**	87,186,560
Current borrowings (Note 19)	**58,713,306**	69,750,588
Non-current borrowings (Note 19)	**37,955,314**	26,392,734
Deferred income tax liabilities	**1,305,129**	2,016,697
Financial liabilities at fair value through profit or loss	**–**	33,764
Total liabilities per condensed consolidated statement of financial position	**181,349,073**	185,380,343

The Company was incorporated in Hong Kong, with its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the six months ended 30 June 2024 and 2023.

As at 30 June 2024, total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC, Hong Kong and the United States amounted to approximately RMB38,129,983,000, RMB1,052,000 and RMB66,635,000 (31 December 2023: RMB45,479,399,000, RMB1,307,000 and RMB66,223,000), respectively. For the six months ended 30 June 2024 and 2023, 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

	Property, plant and equipment RMB'000	Land use rights RMB'000
Opening net book amount as at 1 January 2024 (Audited)	**3,492,480**	**212,009**
Additions	**74,768**	**–**
Acquisition of subsidiaries	**479**	**–**
Depreciation	**(68,928)**	**(5,841)**
Disposals	**(45,397)**	**(20,747)**
A subsidiary becomes a joint venture	**(75)**	**–**
Closing net book amount as at 30 June 2024 (Unaudited)	**3,453,327**	**185,421**
Opening net book amount as at 1 January 2023 (Audited)	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 (Unaudited)	3,487,446	218,941

8. INTANGIBLE ASSETS

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Opening net book amount at beginning of the period (Audited)	**400,164**	459,807
Additions	**–**	2,984
Amortization	**(21,315)**	(24,699)
Closing net book amount at end of the period (Unaudited)	**378,849**	438,092

9. INVESTMENT PROPERTIES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Opening net book amount at beginning of the period (Audited)	**15,857,341**	7,734,474
Additions	**139**	–
A subsidiary becomes a joint venture	**(2,044,000)**	–
Transfer from completed properties held for sales	**–**	1,073,395
Currency translation differences	**413**	–
Fair value change recognised in profit or loss	**(292,770)**	150,368
Closing net book amount at end of the period (Unaudited)	**13,521,123**	8,958,237

(a) Valuation techniques

Fair values of completed properties in Beijing, Tianjin, Dalian, 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.

Fair values of completed properties in Ganzhou is derived using the comparative method.

Fair values of investment properties under development in Beijing are generally derived using the hypothetical development method and cost method.

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 collateral

As at 30 June 2024 and 31 December 2023, investment properties of the Group with carrying amount of approximately RMB13,092,038,000 and RMB13,372,271,000, respectively, were pledged as collateral for the Group's borrowings.

10. INTERESTS IN JOINT VENTURES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
At beginning of the period (Audited)	**18,679,921**	20,463,935
Capital injection	**282,465**	88,441
Dividend	**–**	(18,367)
Disposals	**–**	(83,724)
A subsidiary becomes a joint venture	**1,406,067**	–
Transfer to assets classified as held for sale (Note 15)	**(5,397,802)**	–
Share of results and other comprehensive income of joint ventures		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the joint ventures	**(936,629)**	(1,262,544)
Currency translation differences	**7,989**	208,156
At end of the period (Unaudited)	**14,042,011**	19,395,897

11. INTERESTS IN ASSOCIATES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
		(Restated)
At beginning of the period (Audited)	**3,915,886**	4,436,805
Dividend	**–**	(8,920)
Disposals	**–**	(30,069)
Increase due to partial disposal of interests in a subsidiary	**–**	1,114,612
Share of results and other comprehensive income of associates		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the associates	**(235,946)**	(1,410,821)
Currency translation differences	**14,032**	74,071
At end of the period (Unaudited)	**3,693,972**	4,175,678

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Listed securities (a)	**13,973**	15,856
Unlisted securities	**751,204**	761,424
	765,177	777,280
Less: Non-current portion	**(765,177)**	(777,280)
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

(i) 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,

— 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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Investment in fund and bond investments	**4,387,570**	4,702,136
Investment in other unlisted equity securities	**322,558**	335,558
Investment in listed equity securities	**486**	481
Derivative financial instruments	**352,994**	356,994
	5,063,608	5,395,169
Less: Non-current portion	**(4,439,113)**	(4,748,336)
Current portion	**624,495**	646,833

(ii) Non-current assets pledged as collateral

As at 30 June 2024 and 31 December 2023, financial assets at fair value through profit or loss with fair value of approximately RMB470,670,000 and RMB592,992,000 were pledged as collateral for the Group's borrowings.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables (a)	**5,422,803**	5,155,256
Other receivables and prepayments (b)	**63,056,807**	64,132,919
	68,479,610	69,288,175
Less: non-current portion	**(6,909,243)**	(6,878,282)
Current portion	**61,570,367**	62,409,893

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade receivables

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables	**6,208,707**	5,935,207
Less: provision for impairment of trade receivables	**(785,904)**	(779,951)
	5,422,803	5,155,256
Less: non-current portion	**–**	–
Current portion	**5,422,803**	5,155,256

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 6 months	**1,742,245**	1,590,839
Between 6 months to 1 year	**1,515,397**	2,332,846
Between 1 year to 2 years	**1,831,210**	1,467,025
Between 2 years to 3 years	**839,784**	308,612
Over 3 years	**280,071**	235,885
	6,208,707	5,935,207

As at 30 June 2024, trade receivables with carrying amount approximately RMB320,383,000 (31 December 2023: RMB67,105,000) 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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Opening amount at beginning of the period/year	**(779,951)**	(510,632)
Provision for receivable impairment	**(5,953)**	(269,567)
Write-off	**–**	248
Closing amount at end of the period/year	**(785,904)**	(779,951)

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Entrusted loans due from joint ventures (i)	**3,204,304**	3,648,544
Entrusted loans due from associates (ii)	**636,206**	636,206
Entrusted loans due from third parties (iii)	**1,249,405**	1,163,097
Amounts due from joint ventures (v)	**24,534,670**	24,771,325
Amounts due from non-controlling interests (iv)	**4,472,501**	5,469,140
Amounts due from associates (v)	**9,856,522**	10,038,587
Amounts due from third parties (iii)	**17,081,451**	16,370,118
	61,035,059	62,097,017
Less: provision for impairment	**(16,588,420)**	(16,496,229)
	44,446,639	45,600,788
Receivables from government (vi)	**761,529**	788,173
Payment for the cooperation of potential properties development projects (vii)	**1,447,819**	1,447,819
Receivables from disposal of interest in subsidiaries	**3,000,908**	2,930,492
Other receivables	**2,593,073**	2,322,218
	7,803,329	7,488,702
Less: provision for impairment	**(1,149,040)**	(953,379)
	6,654,289	6,535,323
Other tax prepayments	**6,596,128**	6,774,393
Other prepayments (viii)	**5,359,751**	5,222,415
	11,955,879	11,996,808
Total other receivables and prepayments	**63,056,807**	64,132,919
Less: non-current portion	**(6,909,243)**	(6,878,282)
Current portion	**56,147,564**	57,254,637

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 2023: from 0% to 13%) per annum. Balances of approximately RMB2,984,321,000 (31 December 2023: RMB3,425,068,000) are repayable within one year. The remaining balances of approximately RMB219,983,000 (31 December 2023: RMB223,476,000) are repayable after one year and included in the non-current portion.

(ii) Entrusted loans due from associates are unsecured, interest bearing 7% (31 December 2023: 7%) per annum. Balances of approximately RMB636,206,000 (31 December 2023: RMB636,206,000) are repayable after one year and hence included in the non-current portion.

As at 30 June 2024, entrusted loans due from associates of the Group with carrying amount of approximately RMB592,410,000 (31 December 2023: RMB591,696,000) were pledged for the Group's borrowings.

(iii) Entrusted loans and amounts due from third parties represent amounts paid to joint ventures and associates of the Group's joint ventures, associates and cooperation parties to support their development of real estate projects. As 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. Balances of entrusted loans due from third parties approximately RMB775,719,000 (31 December 2023: RMB771,151,000) are repayable within one year. The remaining balances of approximately RMB473,686,000 (31 December 2023: RMB391,946,000) are repayable after one year and included in the non-current portion.

Unsecured entrusted loans bear interest from 8.5% to 15.0% (31 December 2023: from 8.5% to 15.0%) per annum.

Amount due from Wuhu Deye Investment Management Center (Limited Partnership) are secured, interest free and repayable on demand. The remaining amounts due from third parties are unsecured, interest free, and repayable on demand.

As at 30 June 2024, amounts due from third parties with carrying amount of approximately RMB1,362,360,000 (31 December 2023: nil) were pledged for the Group's borrowing.

(iv) Amounts due from non-controlling interests are unsecured and interest free. Balances of approximately RMB4,472,501,000 (31 December 2023: RMB5,469,140,000) are repayable within one year.

(v) Amounts due from joint ventures and associates are unsecured and interest free. Balances of approximately RMB22,626,362,000 (31 December 2023: RMB22,865,146,000) and RMB9,856,522,000 (31 December 2023: RMB10,038,587,000) are repayable within one year, respectively. The remaining balances of approximately RMB1,908,308,000 (31 December 2023: RMB1,906,179,000) and nil (31 December 2023: nil) are repayable after one year and included in the non-current portion, respectively.

As at 30 June 2024, amounts due from joint ventures and associates of the Group with carrying amounts of approximately RMB2,542,143,000 (31 December 2023: nil) and RMB653,504,000 (31 December 2023: nil) were pledged for the Group's borrowings, respectively.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

(vi) 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.

(vii) Amounts mainly represent the payment for cooperation of potential properties development projects. As at 30 June 2024, such cooperation is still in negotiation stage. Balances of approximately RMB150,000,000 (31 December 2023: RMB150,000,000) are unsecured, interest bearing 8.8% (2023: 8.8%) per annum. The remaining balances of approximately RMB1,297,819,000 (31 December 2023: RMB1,297,819,000) are unsecured and interest free. Balances of approximately RMB1,447,819,000 (31 December 2023: RMB1,447,819,000) are repayable on demand.

(viii) As at 30 June 2024, included in prepayments of approximately RMB2,199,687,000 (31 December 2023: RMB2,198,564,000) 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.

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 2024 and 31 December 2023.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Opening amount at beginning of the period/year (Restated)	**(17,449,608)**	(7,828,227)
Provision for receivable impairment	**(290,827)**	(11,013,153)
Write-off	**2,690**	1,390,045
Deconsolidation of subsidiaries	**285**	1,727
Closing amount at end of the period/year	**(17,737,460)**	(17,449,608)

15. ASSETS CLASSIFIED AS HELD FOR SALE

On 7 June 2024, Beijing Yingyu Enterprise Management Consulting Co., Ltd. * (北京穎煜企業管理諮詢有限公司) and Tianjin Yigangtong Enterprise Management Co., Ltd. * (天津頤港通企業管理有限公司), (together, the "Sellers") both being wholly-owned subsidiaries of the Group entered into the equity and debt transfer agreement with China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) * (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)), Beijing Sanlitun South Property Management Company Limited* (北京三里屯南區物業管理有限公司) and Shiny Harbour Limited (together, the "Purchasers") under which the Sellers conditionally agree to sell an aggregate of 64.79% equity interests in the Beijing Xingtaitonggang Properties Company Limited * (北京星泰通港置業有限公司) (the "Target Company") and assign the entire loan owing to the Sellers by the Target Company to the Purchasers as at the completion of this disposal.

In view of the management of the Company, the transaction is highly probable to be completed in 2024 and therefore the interests in the Target Company and entrusted loans due from the Target Company are classified as assets held for sales as at 30 June 2024. By reassessing the fair value less cost to sales of the interest in the Target Company and the carrying amount of the entrusted loans due from the Target Company as at 30 June 2024, the impairment loss of approximately RMB1.71 billion was recorded for the period ended 30 June 2024.

The interests in the Target Company and entrusted loans due from the Target Company classified as assets held for sales as at 30 June 2024 were as follows:

	As at 30 June 2024 RMB'000 (Unaudited)
Interest in the Target Company	**5,397,802**
Impairment loss	**(1,706,630)**
	3,691,172
Entrusted loans due from the Target Company	**124,152**
	3,815,324

* The English names are for identification purpose only and the official names of the entities are in Chinese.

16. 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 1 January 2024 (Audited)	**7,616,095,657**	**30,413,634**	**27,329,232**	**–**	**27,329,232**
Restricted Share Award Scheme (a)					
Opening balance 1 January 2024	–	–	–	–	–
Share purchased during the period	–	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–
At 30 June 2024 (Unaudited)	**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 1 January 2023 (Audited)	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance 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 (Unaudited)	7,616,095,657	30,413,634	27,329,232	–	27,329,232

(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 recognize 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.

16. SHARE CAPITAL (Continued)

Movements in the number of awarded shares for six months ended 30 June 2024 and 2023 are as follows:

	Restricted Shares (thousands)
At 1 January 2024 (Audited)	–
Vested	–
At 30 June 2024 (Unaudited)	–
At 1 January 2023 (Audited)	4,887
Vested	(4,887)
At 30 June 2023 (Unaudited)	–

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.

17. 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 2024, the carrying amount of the capital securities amounted to approximately RMB4,696,897,000 (31 December 2023: RMB4,570,097,000).

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 22 September 2022 to 21 September 2027, 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.

18. 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 which are callable only at the company's discretion. As at 30 June 2024, the carrying amount from the capital instrument amounted to approximately RMB1,593,312,000. 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 2024, the carrying amount from the capital instrument amounted to approximately RMB1,059,706,000. 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.

19. BORROWINGS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current	**37,955,314**	26,392,734
Current	**58,713,306**	69,750,588
	96,668,620	96,143,322

Movements in borrowings are analysed as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At beginning of the period (Audited)	**96,143,322**	97,023,449
New bank loans raised	**89,254**	1,996,804
Other loans raised (b)	**636,490**	3,904,657
Acquisition of subsidiaries	**140,070**	1,939,000
Repayment of bank loans	**(1,016,519)**	(6,058,011)
Repayment of other loans	**(93,254)**	(7,268,514)
Disposal of subsidiaries	**–**	(1,089,562)
Increase due to a subsidiary becomes a joint venture	**520,432**	–
Currency translation differences	**253,296**	1,229,929
Changes of carrying value of corporate bonds and bank loans	**75,570**	238,282
Transfer to other payables	**(80,041)**	–
At end of the period (Unaudited)	**96,668,620**	91,916,034

(a) As at 30 June 2024, bank borrowings amounted to approximately RMB22,528,367,000 (31 December 2023: RMB19,895,829,000) were secured by the pledge of investment properties, property, plant and equipment, land use rights, properties under development, completed properties held for sale, trade and other receivables and equity interest in certain subsidiaries. The remaining balance of approximately RMB269,051,000 was secured by assets pledged by third parties.

(b) During the six months ended 30 June 2024, other loans amounting to approximately RMB636,490,000 are raised from third parties. Such loans bear interests at rates ranging from 3.45% to 10.00% per annum.

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

(c) Interest expense on borrowings for the six months ended 30 June 2024 amounted to approximately RMB2,680,657,000 (Six months ended 30 June 2023: RMB2,688,973,000).

20. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables (a)	**14,278,957**	13,908,768
Accrued expenses	**6,986,425**	9,080,971
Amounts due to joint ventures (b)	**6,830,614**	7,038,388
Amounts due to associates (b)	**1,036,509**	1,040,195
Amounts due to non-controlling interests (b)	**2,087,403**	2,180,839
Amounts due to government	**553,953**	527,052
Other taxes payable	**3,322,335**	4,023,022
Deposits received	**1,606,358**	1,928,202
Other payables	**13,719,400**	10,052,263
	50,421,954	49,779,700
Less: non-current portion	**(669,677)**	(683,491)
Current portion	**49,752,277**	49,096,209

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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 6 months	**5,763,725**	4,543,671
Between 6 months to 1 year	**1,574,084**	1,902,685
Between 1 year to 2 years	**1,876,748**	3,682,485
Between 2 years to 3 years	**2,202,086**	1,273,307
Over 3 years	**2,862,314**	2,506,620
	14,278,957	13,908,768

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

21. OTHER LOSSES — NET

	Unaudited Six months ended 30 June	
	2024 **RMB'000**	2023 RMB'000
Fair value change of financial assets and financial liabilities at fair value through profit or loss	**(238,463)**	(446,624)
Exchange losses	**(56,491)**	(279,443)
Payment for the settlement of contracted obligations	**(37,783)**	(15,802)
Losses on disposal of interests in subsidiaries	**(135,171)**	(61,382)
(Losses)/gains on disposal of joint ventures and associates	**(6,538)**	52,542
Gains on disposal of financial assets at fair value through profit or loss	**–**	24,015
Provision for litigation	**–**	(467,074)
Other (losses)/gains	**(4,277)**	253
	(478,723)	(1,193,515)

22. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2024 **RMB'000**	2023 RMB'000
Interest expense:		
— Bank borrowings	**1,081,799**	1,035,170
— Other borrowings	**1,598,858**	1,653,803
— Lease liabilities	**59,574**	58,479
	2,740,231	2,747,452
Less: interest capitalized at a capitalization rate of 5.59% (2023: 5.78%) per annum	**(865,367)**	(866,185)
	1,874,864	1,881,267

23. INCOME TAX (CREDIT)/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 2024 and 2023. Other Group entities are mainly subject to Hong Kong profits tax.

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

	Unaudited Six months ended 30 June	
	2024 **RMB'000**	2023 RMB'000
Current income tax:		
— PRC enterprise income tax	**403,404**	273,873
— PRC land appreciation tax	**(646,028)**	89,112
Deferred income tax	**(187,326)**	30,279
	(429,950)	393,264

24. 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	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(5,381,705)**	(18,369,229)
Weighted average number of ordinary shares in issue (thousands)	**7,616,096**	7,616,096
Basic loss per share (RMB per share)	**(0.707)**	(2.412)

(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 one categories of dilutive potential ordinary shares: share options (30 June 2023: 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 vesting of awarded shares.

	Unaudited Six months ended 30 June	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(5,381,705)**	(18,369,229)
Loss used to determine diluted earnings per share (RMB'000)	**(5,381,705)**	(18,369,229)
Weighted average number of ordinary shares in issue (thousands)	**7,616,096**	7,616,096
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)	**(0.707)**	(2.412)

25. DIVIDENDS

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2024 and 2023.

26. FINANCIAL GUARANTEES

(a) The Group had the following financial guarantees as 30 June 2024 and 31 December 2023:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	**15,498,591**	16,590,788

As at 30 June 2024 and 31 December 2023, 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 2024, the Group provided guarantees amounted to approximately RMB64,987,082,000 (31 December 2023: RMB63,029,830,000) for borrowings of related parties and third parties. Properties under development and other assets owned by these parties are the primary collateral of such borrowings.

27. COMMITMENTS

(a) Capital commitments

Capital commitments at the statement of financial position date but not yet incurred are as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Properties under development	**6,505,404**	6,333,204
Commitment of investments	**2,416,510**	2,485,667
Contracted but not provided for	**8,921,914**	8,818,871

(b) Commitments to a joint venture

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Commitments to provide funding to a joint venture for its investment properties development	**8,641,747**	8,641,747

As of the date of the approval of the interim condensed consolidated financial statements, the above capital commitment obligation was discharged due to the disposal of the joint venture.

(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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 1 year	**408,780**	343,243
Between 1 to 5 years	**535,182**	544,515
Over 5 years	**66,372**	–
	1,010,334	887,758

28. PROVISION FOR LITIGATIONS

Up to the date of this report, various parties have filed litigation against the Group for 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 interim condensed consolidated financial statements for the six months ended 30 June 2024, no provisions for litigations were recognized during the period (30 June 2023: RMB0.47 billion). The accumulated provision for litigations amounted to approximately RMB0.62 billion as of 30 June 2024 (31 December 2023: RMB0.62 billion) and was recognised in the liabilities. 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.

29. 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 2024 and 2023:

(a) Provision of services

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Provision of services to:		
— A shareholder	**1,255**	964
— Joint ventures	**497,938**	582,622
— Associates	**23,363**	40,096
	522,556	623,682

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

(b) Purchase of services from

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Purchase of services from:		
— A shareholder	**1**	–
— Joint ventures	**349,696**	578,106
— Associates	**170**	8,263
	349,867	586,369

29. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**18,020**	14,459
Post-employment benefits	**928**	957
Other long-term welfare	**–**	22
	18,948	15,438

(d) Interest income

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
— Joint ventures	**170,280**	252,149
— Associates	**868**	501
	171,148	252,650

(e) Interest expense

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
— Joint ventures	**118,591**	142,505
— Associates	**6,414**	6,504
	125,005	149,009

29. RELATED PARTY TRANSACTIONS (Continued)

(f) Entrusted loans due from related parties

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
— Joint ventures (Note 14(b))	**3,204,304**	3,648,544
— Associates (Note 14(b))	**636,206**	636,206
	3,840,510	4,284,750

(g) Amounts due from related parties

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
— Joint ventures (Note 14(b))	**24,534,670**	24,771,325
— Associates (Note 14(b))	**9,856,522**	10,038,587
	34,391,192	34,809,912

(h) Borrowing from related parties

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
— Joint ventures	**4,438,400**	3,917,262
— Associates	**235,384**	235,384
	4,673,784	4,152,646

(i) Amounts due to related parties

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
— Joint ventures (Note 20)	**6,830,614**	7,038,388
— Associates (Note 20)	**1,036,509**	1,040,195
	7,867,123	8,078,583

29. RELATED PARTY TRANSACTIONS (Continued)

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Fair value of investment in limited partners' share issued by an associate	**1,719,442**	1,969,861

(k) Investment in capital instrument issued by associates

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Fair value of interests in capital instrument issued by associates	**484,433**	440,833

30. EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as the events disclosed under the "Note 2.1 Going concern assumption", there was no other significant subsequent event affecting the Group after the six-month period ended 30 June 2024 and up to the date of issuance of the interim condensed consolidated financial statements.

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
"BDO"	BDO Limited
"Board"	the board of directors of the Company
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China
"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"	2 September 2024, 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 C3 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
"Restricted Share Award Scheme"	the restricted share award scheme adopted by the Board on 22 March 2010
"RMB"	Renminbi, the lawful currency of the PRC
"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), being 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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