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遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

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

(Stock Code: 03377)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2013
AND
CHANGE OF COMPANY SECRETARY AND
AUTHORIZED REPRESENTATIVE**

FINANCIAL HIGHLIGHTS

- Total contracted sales amounted to a record high of RMB35,818 million, representing an increase of 15%.
- Revenue increased by 9% to RMB31,099 million.
- Operating profit (excluding fair value gains on investment properties) increased by 10% to RMB6,565 million.
- Profit attributable to owners of the Company amounted to RMB4,075 million, representing an increase of 7%. Core profit amounted to RMB3,036 million, representing an increase of 21%.
- Basic earnings per share increased by 9% to RMB0.592.
- Total cash resources amounted to RMB16,050 million. The net gearing ratio remained stable at 48%.
- Total assets increased to RMB137,869 million, and equity attributable to owners of the Company (including capital securities) amounted to RMB40,058 million.
- The Board proposed a final dividend of HKD0.16 per share. Together with the interim dividend of HKD0.07 per share, total dividends declared for the year were HKD0.23 per share.

The Board of Directors (the “Board”) of Sino-Ocean Land Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (“our Group” or “We”) for the year ended 31 December 2013.

For the twelve months ended 31 December 2013, our Group recorded RMB31,099 million in revenue, representing a year-on-year (“YoY”) increase of 9%. Profit attributable to owners of the Company and core profit reached RMB4,075 million and RMB3,036 million respectively, representing an increase of 7% and 21% respectively, and earnings per share was RMB0.592.

Based on the profit attributable to owners of the Company in 2013, the Board is pleased to propose a final dividend of HKD0.16 per share for the year ended 31 December 2013. Together with the interim dividend of HKD0.07 per share, total dividend per share for 2013 was HKD0.23 (2012: HKD0.23), representing a dividend payout ratio of 31% (2012: 29%). The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the 2013 final dividend wholly or partly by the allotment of new shares credited as fully paid up in lieu of cash, subject to shareholders’ approval on the payment of the 2013 final dividend at the Company’s annual general meeting (the “AGM”) and the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of the listing of, and permission to deal in, the new shares to be issued pursuant thereto.

MARKET REVIEW AND PROSPECT

In 2013, the property market in China went through some fluctuations but ultimately was on an upward trend with sales of commodity properties achieving a record high. Data from the National Bureau of Statistics of China indicated that the total area of commodity properties sold in China rose 17.3% YoY to 1,306 million sq.m., 15.5% higher in growth rate than 2012; the total sales amount increased 26.3% YoY to RMB8,142.8 billion, at a rapid growth rate of 16.3% higher than 2012. The total sales amount grew at a higher rate than that of GFA sold and the overall trend showed growth in both quantity and price.

Prompted by the market’s strength in both supply and demand and in response to the State Council’s “five new measures” (新國五條) to enhance regulation of the property market, various regions increased land supply last year and transaction volume continued to climb. Data from the National Bureau of Statistics of China indicated that accumulated land area purchased in 2013 in China reached 388.14 million sq.m., an 8.8% increase YoY, a turn around from the negative growth in 2012.

The increase in land transaction eased the pressure on supply and curbed market expectations. At the same time, differentiation appeared in the land market. While land supply was still tight in first and second-tier cities prompting ‘land snatching’ at the end of the year, market behavior in third and fourth-tier cities remained steady. On the other hand, more land was designated for protective housing in various regions, a positive move to protecting people’s living needs and an indication that the Central Government’s appeal to provide more land for constructing protective housing was addressed.

Strong supply and demand coupled with higher volume in land transactions also pushed up new construction area. In 2013, total GFA of residential properties under construction was 2,012.08 million sq.m., an 13.5% increase YoY. Future supply of housing is expected to maintain a high growth rate.

The real estate industry saw higher concentration in 2013. Branded property enterprises continued to expand their influence in the market by taking advantage of their products output, financial capability and customers' recognition. Some enterprises on the other hand were looking for exit routes as they came under pressure from their strategic planning, business structure and cash flow. Mergers and acquisition and restructuring were gradually taking place.

In 2014, China's macro economy will manage at a stable growth under the principle of 'intensifying reforms in all areas and perseverance in steady progress', albeit at a slower pace. The property industry is closely connected with the atmosphere of macro economy and will therefore face new opportunities, but as well as uncertainties. Changes are also brewing at the same time. Our Group foresees three major characteristics in the property industry in the year ahead:

The first is 'stable'. During the building process of a long-term effective control mechanism in the property industry, the imbalance between supply and demand still exists. The current control measures will continue and the policies will remain stable. With the overall market looking up again in 2013, the sale, development and investment on the China commodity housing in 2014 will stay at a high level and grow at an appropriate rate. Market sentiments will remain stable. In some of the third and fourth-tier cities where there is a risk of over-supply, the local governments may use measures such as pacing the land supply, controlling the total scale of development, stimulating the market and reducing inventory to manage risk and maintain stability of the industry.

The second is 'differentiating'. Firstly, the Central Government will give different guidelines to cities with different demands to remain the industry stable. Macro measures will be strictly executed in first and second-tier hotspot cities while more flexibility will be applied to third and fourth-tier cities. Control measures are no longer uniform and differentiation will deepen. Secondly, the supply and demand structure will also differ: construction of protective housing, especially shantytowns transformation, will have more government support to supplement the commodity housing and ease the financial pressure from the lower income sector. More local authorities may follow Beijing's lead in launching 'self-use commodity housing' to weaken speculation in the commodity housing market.

The third is 'reformative'. As the new government aims to 'intensify reforms in all areas', reforms will be more market-oriented and take place in various areas including the land system, household registration, taxation and credit policies. Mechanisms for long-term effect such as centralized registration of real estate and on-line housing information will be set up to encourage sound development of the property industry. It is expected that the industry will go through another round of adjustments and reforms in 2014.

FINANCIAL REVIEW

Our Group's revenue in 2013 grew by 9% to RMB31,099 million, from RMB28,658 million in 2012. The increase in revenue was mainly attributable to the growth in property development business.

(RMB million)	2013	2012	YoY (%)
Property development	28,146	26,053	8%
Property investment	550	414	33%
Property management	591	453	30%
Other real estate related businesses (including upfitting and decoration business)	1,812	1,738	4%
Total	31,099	28,658	9%

Beijing as our home base accounted for about 31% of our Group's total revenue in 2013 (2012: 44%) and amounted to RMB9,526 million (2012: RMB12,512 million). The decline was mainly due to higher contribution of revenue and GFA delivered from areas outside Beijing in 2013. There were strong contributions from the other first and second-tier cities including Dalian, Tianjin, Shanghai, Zhongshan and Hangzhou, with their total revenue of RMB14,480 million in 2013, accounting for about 47% of the total revenue.

The cost of property development, mainly comprising of land cost and construction cost, accounted for 89% of our Group's total cost of sales during 2013 (2012: 88%). Excluding car parks, average land cost per sq.m. of the property development business in 2013 increased to approximately RMB2,700 compared to RMB2,400 in 2012 which was due to more properties delivered from the newly acquired projects during the year. Average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB5,200 per sq.m. for the year, decreased compared to RMB5,700 per sq.m. in 2012.

Gross profit for the year was RMB7,547 million, representing a slightly decrease of 2% compared to the 2012. Gross profit margin decreased to 24% (2012: 27%). The decrease in gross profit margin was primarily due to the inflated land cost.

Other income increased by 80% to RMB376 million in 2013 compared to RMB209 million in 2012. Such increase was mainly due to the increase in the overall interest income received. Our Group recorded other gains (net) of RMB102 million in 2013 (2012: other losses (net) of RMB126 million). Other gains (net) mainly comprised the exchange gains recognized during the year.

Our Group recognized an increase in fair value on its investment properties (before tax and non-controlling interests) of RMB808 million for 2013 (2012: RMB1,535 million).

Selling and marketing expenses for 2013 decreased to RMB785 million (2012: RMB963 million). These costs accounted for only approximately 2.2% of the total contracted sales amount for 2013 (2012: 3.1%).

Administrative expenses incurred for 2013 decreased to RMB675 million (2012: RMB853 million), which represented only 2.2% of total revenue for 2013 (2012: 3%).

Our weighted average interest rate decreased to 7.33% in 2013 (2012: 7.72%), while total interest expenses paid or accrued to RMB2,585 million (2012: RMB2,946 million) of which RMB364 million (2012: RMB625 million) was not capitalized and charged through consolidated income statement.

The aggregate of enterprise income tax and deferred tax increased by 10% to RMB1,900 million in 2013 (2012: RMB1,729 million), with effective tax rate of 29% (2012: 30%). In addition, consistent to the slight decrease in gross profit, land appreciation tax in 2013 decreased to RMB780 million (2012: RMB1,519 million), accounting for 10% of gross profit in 2013 (2012: 20%).

Profit attributable to owners of the Company increased by 7% to RMB4,075 million in 2013, compared to RMB3,796 million in 2012. Core profit, excluding one-off items and fair value gains on investment properties, amounted to RMB3,036 million, an increase of 21%.

As at 31 December 2013, our Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB16,050 million and a current ratio of 1.7 times. Together with unutilized credit facilities of about RMB37,948 million, our Group is ensured to be financially sound.

Our Group's net gearing ratio (i.e. total borrowings less total cash resources divided by equity attributable to owners of the Company) was about 48% (2012: 42%).

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

(RMB million)	As at 31 December 2013	As at 31 December 2012	YoY (%)
Within 1 year	12,839	11,520	11%
1 to 2 years	7,039	7,460	-6%
2 to 5 years	12,031	11,263	7%
Over 5 years	3,386	2,150	57%
Total	35,295	32,393	9%

BUSINESS REVIEW

Property development

Recognized Sales

Revenue from property development business grew by 8% in 2013 and amounted to RMB28,146 million (2012: RMB26,053 million). Saleable GFA delivered increased by 19% from approximately 2,055,000 sq.m. in 2012 to approximately 2,445,000 sq.m. in 2013. Excluding car parks sales, the average selling price recognized in 2013 was about RMB12,200 per sq.m. (2012: RMB13,000 per sq.m.).

Revenue and saleable GFA delivered from each project in 2013 are set out below:

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Beijing	Ocean Crown	262	4,829	54,300	100%
		Ocean Great Harmony	224	4,029	55,600	100%
		Ocean LA VIE	2,645	52,009	50,900	85.72%
		Ocean Landscape Eastern Area E02/03 project	37	1,551	23,900	100%
		Ocean Manor	635	31,750	20,000	100%
		Ocean Oriental Mansion	194	11,054	17,600	100%
		Ocean Palace	1,028	35,851	28,700	100%
		POETRY OF RIVER	421	15,290	27,500	100%
		The Place	836	42,056	19,900	100%
		Mizhiyun Project	311	39,768	7,800	90%
			6,593	238,187	27,700	
Pan-Bohai Rim	Dalian	Ocean Holiday Manor	96	12,209	7,900	100%
		Ocean Plaza	65	5,698	11,400	100%
		Ocean Seasons	80	3,961	20,200	100%
		Ocean TIMES	2,022	304,038	6,700	100%
		Ocean Worldview	2,106	241,030	8,700	100%
	Qingdao	Ocean Prospect	1,938	102,451	19,000	100%
	Qinhuangdao	Ocean Century	176	7,960	22,100	100%
	Tianjin	Ocean City	861	104,892	8,200	100%
		Ocean Express	3	392	7,700	97.05%
		Ocean Great Harmony	781	64,814	12,000	100%
		Ocean International Center	145	9,798	14,800	96.99%
		Ocean Prospect	81	6,962	11,600	100%
				8,354	864,205	9,700

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Northeastern Region	Changchun	Ocean Cannes Town	719	94,764	7,600	51%
	Fushun	Ocean City	472	100,579	4,700	65%
	Shenyang	Ocean Paradise Ocean Residence	1,181 708	125,672 85,547	9,400 8,300	100% 100%
			3,080	406,562	7,600	
Yangtze River Delta & Along Yangtze River	Chongqing	Sino-Ocean International GOLF Resort	721	94,958	7,600	87.25%
	Hangzhou	Ocean Mansion	4,061	118,211	34,400	51%
	Huangshan	An Island Paradise	162	18,508	8,800	100%
	Shanghai	BOND CASTLE Ocean Mansion No.7	148	2,596	57,000	100%
			1,108	68,982	16,100	100%
	Wuhan	Ocean Manor Ocean World	219	20,183	10,900	55%
9			1,524	5,900	55%	
Zhenjiang	Ocean Beach	366	60,239	6,100	55%	
			6,794	385,201	17,600	
Southern Region	Haikou	Ocean Zen House	91	6,606	13,800	70%
	Sanya	Ocean Mansion	52	2,505	20,800	70%
	Zhongshan	Ocean City Ocean New Era	1,612	197,412	8,200	100%
771			137,402	5,600	80%	
			2,526	343,925	7,300	
Subtotal			27,347	2,238,080	12,200	
Car parks (various projects)			799	207,400	3,900	
Total			28,146	2,445,480	11,500	

Contracted Sales

Our contracted sales in 2013 amounted to RMB35,818 million, representing an approximately 15% increase compared to RMB31,119 million in 2012. The increase was due to the increment in the average selling price. Apart from the contracted sales of our joint venture project, Pinnacle One in Chengdu, there were more contributions from first and second-tier cities, the average selling price increased by 17% to RMB14,100 per sq.m. (2012: RMB12,100 per sq.m.) excluding car parks and by 15% to RMB13,700 per sq.m. (2012: RMB11,900 per sq.m.) including car parks.

The contracted sales amounts and GFA sold by projects in 2013 are set out below:

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Beijing	Ocean Crown	3,427	59,214	57,900	100%
		Ocean LA VIE	2,703	39,492	68,400	85.72%
		Ocean Landscape Eastern Area E02/03 Project	741	28,402	26,100	100%
		Ocean Manor	90	4,007	22,500	100%
		Ocean Oriental Mansion	80	3,386	23,600	100%
		Ocean Palace	1,889	57,077	33,100	100%
		POETRY OF RIVER	330	10,601	31,100	100%
		The Place	268	13,559	19,800	100%
		Mizhiyun Project	250	39,768	6,300	90%
		9,778	255,506	38,300		
Pan-Bohai Rim	Dalian	Ocean Diamond Bay	2,397	157,077	15,300	100%
		Ocean Holiday Manor	199	20,473	9,700	100%
		Ocean Plaza	45	3,066	14,700	100%
		Ocean Seasons	67	3,423	19,600	100%
		Ocean TIMES	527	78,659	6,700	100%
		Ocean Worldview	1,767	158,228	11,200	100%
	Qingdao	Ocean Prospect	564	26,690	21,100	100%
		Ocean Seasons	578	34,603	16,700	100%
	Qinhuangdao	Ocean Century	1,071	132,855	8,100	100%
	Tianjin	Ocean City	933	107,002	8,700	100%
		Ocean Express	7	777	9,000	97.05%
		Ocean Great Harmony	853	58,710	14,500	100%
		Ocean International Center	26	1,718	15,100	96.99%
		Ocean Prospect	911	77,270	11,800	100%
			9,945	860,551	11,600	
Northeastern Region	Changchun	Ocean Cannes Town	801	94,230	8,500	51%
	Fushun	Ocean City	398	83,541	4,800	65%
	Shenyang	Ocean Paradise	90	12,039	7,500	100%
Ocean Residence		399	46,855	8,500	100%	
		1,688	236,665	7,100		

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Yangtze River Delta & Along Yangtze River	Chongqing	Sino-Ocean International GOLF Resort	838	108,762	7,700	87.25%
	Hangzhou	Grand Canal Milestone	801	21,749	36,800	70%
		Ocean In Your Heart	1,092	58,585	18,600	100%
		Ocean Mansion	794	19,636	40,400	51%
	Huangshan	An Island Paradise	92	10,238	9,000	100%
	Shanghai	Ocean Chanson Mansion	1,789	84,457	21,200	100%
		Ocean Mansion No.7	213	11,621	18,300	100%
Wuhan	Ocean Manor	185	17,788	10,400	55%	
	Ocean World	8	1,267	6,300	55%	
Zhenjiang	Ocean Beach	1,095	174,813	6,300	55%	
			6,907	508,916	13,600	
Southern Region	Haikou	Ocean Zen House	104	7,633	13,600	70%
	Sanya	Ocean Mansion	6	303	19,800	70%
	Shenzhen	Ocean Express	1,551	79,795	19,400	84.70%
	Zhongshan	Ocean City	2,770	286,838	9,700	100%
Ocean New Era		1,002	159,283	6,300	80%	
			5,433	533,852	10,200	
Subtotal			33,751	2,395,490	14,100	
Car parks (various projects)			1,012	133,087	7,600	
Subtotal			34,763	2,528,577	13,700	
Other						
Yangtze River Delta & Along Yangtze River	Chengdu	Pinnacle One*	1,055	54,587	19,300	50%
Total			35,818	2,583,164	13,900	

* Contracted sales amount and saleable GFA sold represented 50% share of project interest

Construction Progress and Developing Projects

Total GFA and total saleable GFA completed in 2013 were approximately 4,027,000 sq.m. and 3,180,000 sq.m., going up by 42% and 35% respectively compared to that in 2012. Meanwhile, we will maintain our construction scale in order to have enough GFA available for sale and for delivery to support our growth in 2014.

Landbank

Our Group's landbank decreased by 7% to 21,353,000 sq.m in 2013. (2012: 22,969,000 sq.m.); while landbank with attributable interest decreased by 5% to 18,337,000 sq.m. (2012: 19,375,000 sq.m.). During 2013, we acquired 4 plots of land with total GFA of 740,000 sq.m. and attributable interest of approximately 497,000 sq.m. with average acquisition cost per sq.m. of about RMB1,800. The average land cost per sq.m. for our landbank as at 31 December 2013 was approximately RMB3,300 (2012: RMB3,200).

Our Group's landbank details as at 31 December 2013 were as below:

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
Beijing	Beijing	CBD Plot Z6	245,000	190,000	245,000	100%
		CBD Plot Z13	120,000	108,000	120,000	10%
		Ocean Melody	57,000	41,000	57,000	100%
		Ocean International Center, Phase II	88,000	78,000	88,000	35%
		Ocean Crown	211,000	181,000	204,000	100%
		Ocean LA VIE	318,000	301,000	225,000	85.72%
		Ocean Landscape Eastern Area E02/03 Project	101,000	94,000	99,000	100%
		Ocean Manor	245,000	219,000	172,000	100%
		Ocean Oriental Mansion	175,000	151,000	12,000	100%
		Ocean Palace	436,000	385,000	396,000	100%
		POETRY OF RIVER	793,000	705,000	173,000	100%
		The Place	102,000	86,000	17,000	100%
		Mizhiyun Project	80,000	71,000	40,000	90%
				2,971,000	2,610,000	1,848,000

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
Pan-Bohai Rim	Dalian	Ocean Diamond Bay	2,587,000	1,629,000	2,587,000	100%
		Ocean Holiday Manor	410,000	347,000	321,000	100%
		Ocean MIDTOWN	91,000	73,000	91,000	100%
		Ocean Seasons	138,000	104,000	6,000	100%
		Ocean TIMES	563,000	473,000	112,000	100%
		Ocean Worldview	2,020,000	1,473,000	1,004,000	100%
		Sino-Ocean Technopole	922,000	540,000	922,000	100%
		Wyndham Grand Plaza	111,000	52,000	111,000	100%
		Royale Sino-Ocean				
		Xiaoyao Bay Project	219,000	175,000	219,000	100%
	The Place of Glory	933,000	866,000	933,000	100%	
	Qingdao	Ocean Honored Chateau	133,000	78,000	133,000	100%
		Ocean Prospect	147,000	109,000	34,000	100%
		Ocean Seasons	146,000	114,000	146,000	100%
	Qinhuangdao	Ocean Century	1,481,000	1,383,000	1,473,000	100%
	Tianjin	Ocean City	2,164,000	1,985,000	1,371,000	100%
		Ocean Express	337,000	288,000	52,000	97.05%
		Ocean Great Harmony	361,000	342,000	213,000	100%
		Ocean International Center	322,000	308,000	225,000	96.99%
		Ocean Prospect	320,000	265,000	201,000	100%
Royal River		112,000	103,000	112,000	100%	
		13,517,000	10,707,000	10,266,000		
Northeastern Region	Changchun	Ocean Cannes Town	1,165,000	1,049,000	967,000	51%
	Fushun	Ocean City	1,390,000	1,355,000	1,287,000	65%
	Shenyang	Ocean Paradise	712,000	630,000	84,000	100%
		Ocean Residence	181,000	139,000	95,000	100%
			3,448,000	3,173,000	2,433,000	

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
Yangtze River Delta & Along Yangtze River	Chengdu	Sino-Ocean Taikoo Li Chengdu	417,000	348,000	417,000	50%
	Chongqing	Sino-Ocean International GOLF Resort	561,000	470,000	458,000	87.25%
	Hangzhou	Canal Business Center Project	923,000	458,000	776,000	51%
		Grand Canal Milestone	208,000	140,000	208,000	70%
		Ocean In Your Heart	169,000	109,000	169,000	100%
	Huangshan	An Island Paradise	88,000	87,000	62,000	100%
	Shanghai	BOND CASTLE	192,000	88,000	185,000	100%
		Ocean Chanson Manson	368,000	314,000	368,000	100%
		Ocean Mansion No.7	110,000	94,000	42,000	100%
	Wuhan	Ocean Manor	80,000	72,000	18,000	55%
Ocean World		477,000	396,000	420,000	55%	
Zhenjiang	Ocean Beach	899,000	700,000	808,000	55%	
			4,492,000	3,276,000	3,931,000	
Southern Region	Haikou	Ocean Zen House	109,000	106,000	100,000	70%
	Sanya	Ocean Mansion	55,000	48,000	4,000	70%
		Tang Di Project	14,000	12,000	14,000	52.5%
	Shenzhen	Ocean Express	557,000	438,000	557,000	84.7%
		Shengping Project	391,000	300,000	391,000	55%
	Zhongshan	Dongfeng Project	199,000	189,000	199,000	51%
		Nantou Project	372,000	346,000	372,000	61%
		Ocean City	2,089,000	1,725,000	880,000	100%
Ocean New Era	493,000	474,000	358,000	80%		
			4,279,000	3,638,000	2,875,000	
Total			28,707,000	23,404,000	21,353,000	

Property investment

In 2013, revenue from property investment amounted to RMB550 million. Our Group currently has six operating investment properties. During 2013, we had two additional investment properties, including Ocean We-life Plaza in Tianjin and also Ocean We-life Plaza in Beijing, which commenced operations. Our cooperation project Sino-Ocean Taikoo Li Chengdu with Swire Properties Limited is scheduled for soft opening in 2014.

List of our operating investment properties as at 31 December 2013 as below:

	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate as at 31 December 2013	Interest attributable to our Group
Ocean Plaza (Beijing)	30,000	26,000	–	4,000	100%	72%
Ocean International Center Block A (Beijing)	106,000	75,000	13,000	18,000	Over 95%	100%
Ocean Office Park (Beijing)	126,000	81,000	22,000	23,000	Over 84%	100%
Ocean We-life Plaza (Beijing)	31,000	–	31,000	–	84%	100%
Ocean We-life Plaza (Tianjin)	37,000	–	37,000	–	79%	96.99%
Ocean Express (Beijing) Carparks	15,000	–	–	15,000	84%	100%
Sub-total	<u>345,000</u>	<u>182,000</u>	<u>103,000</u>	<u>60,000</u>		
Other						
INDIGO (Beijing)	<u>176,000</u>	<u>49,000</u>	<u>71,000</u>	<u>56,000</u>	Over 94%	50%
Total	<u>521,000</u>	<u>231,000</u>	<u>174,000</u>	<u>116,000</u>		

The audited consolidated results of the Group for the year ended 31 December 2013 are as follows:

Consolidated Balance Sheet

	<i>Note</i>	As at 31 December	
		2013	2012
		RMB'000	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		203,827	212,817
Land use rights		8,985	9,231
Investment properties		10,302,496	7,202,254
Goodwill		239,523	457,286
Investments in joint ventures		1,682,273	1,477,657
Investments in associates		629,572	665,011
Available-for-sale financial assets		745,847	838,163
Trade and other receivables	5	15,606	475,129
Deferred income tax assets		1,940,419	2,393,892
		15,768,548	13,731,440
Current assets			
Prepayments for land use rights		10,685,916	5,083,619
Properties under development		69,903,227	71,974,209
Inventories, at cost		99,037	78,787
Amounts due from customers for contract work		996,539	832,163
Land development cost recoverable		1,713,850	1,638,503
Completed properties held for sale		12,079,650	9,091,870
Available-for-sale financial assets		405,400	155,400
Other investments		19,676	63,091
Financial assets at fair value through profit or loss		191,413	189,076
Trade and other receivables	5	9,955,459	9,319,742
Restricted bank deposits		4,797,032	5,399,197
Cash and cash equivalents		11,252,893	10,747,479
		122,100,092	114,573,136
Total assets		137,868,640	128,304,576

		As at 31 December	
		2013	2012
	<i>Note</i>	RMB'000	<i>RMB'000</i>
EQUITY			
Equity attributable to owners of the company			
Share capital and premium		26,079,244	20,735,481
Shares held for Restricted Share Award Scheme		(79,008)	(92,435)
Reserves		166,032	335,260
Retained earnings			
— Proposed final dividend	12	920,391	806,942
— Others		10,438,201	7,973,044
		37,524,860	29,758,292
Convertible securities		–	5,969,279
Capital securities		2,532,866	2,532,866
		40,057,726	38,260,437
Non-controlling interests		3,387,319	3,785,801
		43,445,045	42,046,238
LIABILITIES			
Non-current liabilities			
Borrowings		22,455,625	20,873,439
Deferred income tax liabilities		1,853,313	1,698,080
		24,308,938	22,571,519
Current liabilities			
Borrowings		12,839,209	11,519,608
Trade and other payables	6	17,987,221	16,190,564
Advance receipts from customers		34,603,586	30,681,259
Income tax payable		4,684,641	5,276,267
Derivative financial instrument		–	19,121
		70,114,657	63,686,819
Total liabilities		94,423,595	86,258,338
Total equity and liabilities		137,868,640	128,304,576
Net current assets		51,985,435	50,886,317
Total assets less current liabilities		67,753,983	64,617,757

Consolidated Income Statement

	<i>Note</i>	Year ended 31 December	
		2013	2012
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	31,099,385	28,657,796
Cost of sales		(23,552,300)	(20,958,600)
Gross profit		7,547,085	7,699,196
Interest and other income		376,164	208,788
Other gains/(losses) — net	8	102,458	(125,957)
Fair value gains on investment properties		807,950	1,535,304
Selling and marketing expenses		(785,214)	(962,992)
Administrative expenses		(675,021)	(853,443)
Operating profit		7,373,422	7,500,896
Finance costs	9	(363,604)	(625,363)
Share of profits of joint ventures		347,390	362,060
Share of losses of associates		(16,311)	(2,677)
Profit before income tax		7,340,897	7,234,916
Income tax expense	10	(2,679,781)	(3,247,607)
Profit for the year		4,661,116	3,987,309
Attributable to:			
Owners of the company		4,074,741	3,796,032
Non-controlling interests		586,375	191,277
		4,661,116	3,987,309
Earnings per share attributable to owners of the company during the year (expressed in RMB)			
Basic earnings per share	11	0.592	0.542
Diluted earnings per share	11	0.589	0.541

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2013 RMB'000	2012 RMB'000
Profit for the year	4,661,116	3,987,309
Other comprehensive income		
Items that may be reclassified to profit or loss		
Fair value (losses)/gains on available-for-sale financial assets	(2,309)	22,610
Fair value gains upon disposal of available-for-sale financial assets	20,946	–
Currency translation differences	27,674	(13,633)
Other comprehensive income for the year	46,311	8,977
Total comprehensive income for the year	4,707,427	3,996,286
Total comprehensive income attributable to:		
— Owners of the company	4,121,052	3,805,009
— Non-controlling interests	586,375	191,277
	4,707,427	3,996,286

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Sino-Ocean Land Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. The Company 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 consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. The Company’s shares are listed on the Main Board of the Stock Exchange.

The consolidated financial statements have been approved for issue by the Board of Directors on 13 March 2014.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets at fair value through profit or loss, other investments and derivative financial instruments, which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 and which have no material impact on the Group:

Amendment to HKAS 1, “Financial statement presentation” regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in “other comprehensive income” on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

HKFRS 10, “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

HKFRS 11, “Joint arrangements” focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

HKFRS 12, “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

HKFRS 13, “Fair value measurement”, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

Amendments to HKAS 36, “Impairment of assets”, on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. The amendment is not mandatory for the Group until 1 January 2014, however the Group has decided to early adopt the amendment as of 1 January 2013.

- (b) *New and amended standards relevant to the Group that have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted*

HKFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9’s full impact and consider the impact of the remaining phases of HKFRS 9 when completed by the Board.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4 SEGMENT INFORMATION

The segment information provided to the Committee for the reportable segments for the years ended 31 December 2013 and 2012 is as follows:

	Property development				Investment property	All other segments	Total	Inter-company elimination	Total
	Beijing	Tianjin	North-east	Others					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2013									
Total revenue	6,790,831	1,909,547	7,701,293	11,753,744	554,429	4,960,202	33,670,046	-	33,670,046
Inter-segment revenue	(9,017)	-	-	-	(4,866)	(2,556,778)	(2,570,661)	-	(2,570,661)
Revenue (from external customers)	6,781,814	1,909,547	7,701,293	11,753,744	549,563	2,403,424	31,099,385	-	31,099,385
Segment operating profit	1,511,248	166,680	955,004	2,043,988	448,685	351,687	5,477,292	1,317,244	6,794,536
Depreciation and amortization	(1,428)	(1,382)	(3,040)	(8,265)	(490)	(19,310)	(33,915)	-	(33,915)
Income tax expense (Note 10)	(695,287)	(58,786)	(481,296)	(976,093)	(239,827)	(228,492)	(2,679,781)	-	(2,679,781)
Finance income	21,347	35,892	36,607	195,592	45,072	661,903	996,413	(859,447)	136,966
Year ended 31 December 2012									
Total revenue	10,133,593	4,133,092	8,802,205	3,025,984	419,143	5,089,881	31,603,898	-	31,603,898
Inter-segment revenue	(42,168)	-	-	-	(5,285)	(2,898,649)	(2,946,102)	-	(2,946,102)
Revenue (from external customers)	10,091,425	4,133,092	8,802,205	3,025,984	413,858	2,191,232	28,657,796	-	28,657,796
Segment operating profit	3,664,131	365,512	2,021,020	565,279	369,921	775,696	7,761,559	(1,283,895)	6,477,664
Depreciation and amortization	(532)	(1,643)	(5,282)	(9,706)	(374)	(29,526)	(47,063)	-	(47,063)
Goodwill impairment	-	-	-	-	-	(125,527)	(125,527)	-	(125,527)
Income tax expense (Note 10)	(1,434,151)	(103,154)	(825,875)	(271,598)	(418,247)	(194,582)	(3,247,607)	-	(3,247,607)
Finance income	116,750	48,322	218,107	86,368	49,934	446,316	965,797	(937,835)	27,962
As at 31 December 2013									
Total segment assets	39,877,395	11,273,816	41,514,384	54,987,217	10,370,473	55,216,798	213,240,083	(82,636,076)	130,604,007
Additions to non-current assets (other than financial instruments and deferred income tax assets)	18,462	3,722	1,072	947	52,137	7,591	83,931	-	83,931
Total segment liabilities	24,617,250	6,103,207	19,685,471	29,287,165	2,356,983	45,811,792	127,861,868	(70,586,420)	57,275,448
As at 31 December 2012									
Total segment assets	40,321,137	10,669,910	37,786,905	48,997,695	6,512,683	51,598,382	195,886,712	(78,636,050)	117,250,662
Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,065	131	2,897	6,173	297	236,779	250,342	-	250,342
Total segment liabilities	28,030,098	5,265,874	19,170,221	32,218,350	1,016,849	43,561,931	129,263,323	(77,304,942)	51,958,381

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

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Segment operating profit	6,794,536	6,477,664
Corporate finance income	134,647	82,346
Corporate overheads	(363,711)	(594,418)
Fair value gains on investment properties	807,950	1,535,304
Share of gains of joint ventures	347,390	362,060
Share of losses of associates	(16,311)	(2,677)
Finance costs (<i>Note 9</i>)	(363,604)	(625,363)
	<u>7,340,897</u>	<u>7,234,916</u>

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

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Total segment assets	130,604,007	117,250,662
Corporate cash and cash equivalents	1,650,033	5,271,624
Investments in joint ventures	1,682,273	1,477,657
Investments in associates	629,572	665,011
Available-for-sale financial assets	1,151,247	993,563
Other investments	19,676	63,091
Financial assets at fair value through profit or loss	191,413	189,076
Deferred income tax assets	1,940,419	2,393,892
	<u>137,868,640</u>	<u>128,304,576</u>
Total assets per consolidated balance sheet		
Total segment liabilities	57,275,448	51,958,381
Current borrowings	12,839,209	11,519,608
Non-current borrowings	22,455,625	20,873,439
Deferred income tax liabilities	1,853,313	1,698,080
Distribution payable	–	189,709
Derivative financial instrument	–	19,121
	<u>94,423,595</u>	<u>86,258,338</u>
Total liabilities per consolidated balance sheet		

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2013 and 2012.

As at 31 December 2013, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB12,812,244,000 (2012: RMB9,701,332,000), the total of these non-current assets located in Hong Kong is RMB254,432,000 (2012: RMB322,924,000).

For the year ended 31 December 2013 and 2012, the Group does not have any single customer with the transaction value over 10% of the total external sales.

5 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2013	2012
	RMB'000	<i>RMB'000</i>
Trade receivables	1,240,365	1,062,557
Less: provision for impairment	(101,437)	(80,269)
	<hr/>	<hr/>
Trade receivables — net (a)	1,138,928	982,288
Tax prepayments for advance receipts from customers	4,072,313	3,284,151
Entrusted loans to third parties	175,000	175,000
Entrusted loans to joint ventures	198,500	–
Entrusted loan to an associate	512,000	398,306
Entrusted loan to a non-controlling interest	114,240	–
Receivables from government	813,132	2,146,969
Amounts due from joint ventures	1,173,545	1,031,333
Amounts due from associates	369,117	219,285
Amounts due from non-controlling interests	51,720	45,720
Cooperation deposits	588,607	215,006
Other prepayments	332,597	773,354
Other receivables	431,366	523,459
	<hr/>	<hr/>
	9,971,065	9,794,871
Less: non-current portion	(15,606)	(475,129)
	<hr/>	<hr/>
Current portion	9,955,459	9,319,742
	<hr/> <hr/>	<hr/> <hr/>

The carrying amounts of trade and other receivables approximate their respective fair values as at 31 December 2013 and 2012.

(a) Trade receivables

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreements. Ageing analysis of trade receivables at the respective balance sheet dates is as follows:

	As at 31 December	
	2013	2012
	RMB'000	<i>RMB'000</i>
Within 6 months	492,570	466,271
Between 6 months to 1 year	293,286	406,095
Between 1 year to 2 years	400,357	183,518
Between 2 years to 3 years	48,500	2,865
Over 3 years	5,652	3,808
	<hr/>	<hr/>
	1,240,365	1,062,557
	<hr/> <hr/>	<hr/> <hr/>

- (i) As at 31 December 2013, trade receivables of RMB793,968,000 (2012: RMB896,527,000) were past due but not impaired. These related to a number of independent customers from upfitting services and property management services, for whom there is no significant financial difficulty and no recent history of default.
- (ii) As at 31 December 2013, trade receivables of RMB101,437,000 (2012: RMB80,269,000) were impaired. The individually impaired receivables mainly related to receivables of upfitting and property management fees.

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

	As at 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	(80,269)	(31,749)
Provision for receivable impairment	(21,168)	(48,520)
	<u>(101,437)</u>	<u>(80,269)</u>
At 31 December	<u>(101,437)</u>	<u>(80,269)</u>

6 TRADE AND OTHER PAYABLES

Group

	As at 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	10,937,489	9,960,027
Accrued expenses	2,356,079	2,814,236
Distribution payables	–	189,709
Amounts due to a shareholder	400,000	–
Amounts due to joint ventures	–	1,886
Amounts due to associates	385	194,338
Amounts due to non-controlling interests	306,762	319,762
Amounts due to government	265,000	185,000
Other taxes payable	518,509	544,226
Financial guarantee liabilities	114,593	82,255
Other payables	3,088,404	1,899,125
	<u>17,987,221</u>	<u>16,190,564</u>

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

An ageing analysis of the trade payables is as follows:

	As at 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	7,544,009	7,082,600
Between 6 months to 12 months	2,057,529	2,000,383
Between 1 year to 2 years	1,186,824	543,099
Between 2 years to 3 years	97,766	292,824
Over 3 years	51,361	41,121
	<u>10,937,489</u>	<u>9,960,027</u>

7 EXPENSES BY NATURE

Expenses by nature comprised cost of sales, selling and marketing expenses and administrative expenses as follows:

	Year ended 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of properties and land use rights sold:		
— Land use rights	4,959,728	4,245,869
— Capitalized interest	1,009,184	1,100,549
— Construction related cost	13,415,850	11,830,570
Cost of up fitting services rendered	1,495,678	1,400,986
Direct investment property expenses	95,285	47,980
Employee benefit expense	566,085	733,805
Consultancy fee	190,046	121,484
Auditor's remuneration	13,826	13,802
Depreciation	33,669	46,817
Amortization of land use rights	246	246
Advertising and marketing	765,850	879,977
Business taxes and other levies	1,862,785	1,654,614
Impairment losses	28,127	118,076
Office expenditure	117,734	102,127
Property maintenance expenses	254,131	193,273
Energy expenses	75,743	62,583
Others	128,568	222,277
	<u>25,012,535</u>	<u>22,775,035</u>

8 OTHER GAINS/(LOSSES) — NET

	Year ended 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Gains on disposal of a subsidiary	27,489	70,685
Gains on disposal of partial interests in an associate to a subsidiary of a shareholder	—	20,333
Gains on disposal of a joint venture	1,666	—
Fair value losses of other investment	(672)	(1,623)
(Losses)/gains on disposal of other investments	(5,601)	1,238
Gains on revaluation of financial assets at fair value through profit or loss	10,299	17,365
Gains on disposal of financial assets at fair value through profit or loss	3,629	5,601
Goodwill impairment	—	(125,527)
Gains/(losses) on disposal of property, plant and equipment	63	(692)
Impairment losses on available-for-sale financial assets	—	(40,800)
Losses on disposal of available-for-sale financial assets	(20,946)	—
Exchange gains	100,120	5,409
Gains on de-recognition of derivative financial instrument	19,121	—
Losses on de-recognition of receivable from disposals of subsidiaries	—	(8,709)
Other losses	(32,710)	(69,237)
	<u>102,458</u>	<u>(125,957)</u>

9 FINANCE COSTS

	Year ended 31 December	
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense:		
— Bank borrowings	1,520,427	2,019,193
— Other borrowings	1,064,320	926,623
Less: interest capitalized at a capitalization rate of 7.33% (2012: 7.72%) per annum	(2,221,143)	(2,320,453)
	<u>363,604</u>	<u>625,363</u>

10 INCOME TAX EXPENSE

Majority of the group entities are subject 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 the years ended 31 December 2013 and 2012. Other group entities are mainly subject to Hong Kong profits tax.

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

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Current income tax:		
— PRC enterprise income tax	1,285,697	2,308,304
— PRC land appreciation tax	780,074	1,519,021
Deferred income tax	614,010	(579,718)
	<u>2,679,781</u>	<u>3,247,607</u>

Taxation on the Group's profit before tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Profit before income tax	7,340,897	7,234,916
Adjust for: Share of gains of joint ventures	(347,390)	(362,060)
Share of losses of associates	16,311	2,677
	<u>7,009,818</u>	<u>6,875,533</u>
Tax calculated at a tax rate of 25%	1,752,455	1,718,883
Effect of higher tax rate for the appreciation of land in the PRC	585,056	1,139,265
Income not subject to tax	(333)	(3,025)
Expenses not deductible for tax purposes	199,074	279,815
Dividend withholding tax	151,972	83,095
Tax losses not recognized	70,689	77,492
Utilization of previously unrecognized tax losses	(79,132)	(47,918)
Income tax expense	<u>2,679,781</u>	<u>3,247,607</u>

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as share held for Restricted Share Award Scheme.

	Year ended 31 December	
	2013	2012
Profit attributable to owners of the Company (<i>RMB'000</i>)	4,074,741	3,796,032
Distribution relating to convertible and capital securities (<i>RMB'000</i>)	<u>(511,880)</u>	<u>(707,177)</u>
Profit used to determine basic earnings per share (<i>RMB'000</i>)	3,562,861	3,088,855
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>6,015,516</u>	<u>5,702,860</u>
Basic earnings per share (<i>RMB per share</i>)	<u><u>0.592</u></u>	<u><u>0.542</u></u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: share options, shares held for the Restricted Share Award Scheme, and convertible securities. For the share option and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and the unvested awarded shares. Convertible securities when calculated on an average basis, were not included in the calculation of dilutive earnings per share for the years ended 31 December 2012 because of their anti-diluted effect, and there are no outstanding convertible shares as at 31 December 2013 due to the repurchase of all the convertible securities.

	Year ended 31 December	
	2013	2012
Profit attributable to owners of the Company (<i>RMB'000</i>)	4,074,741	3,796,032
Distribution relating to convertible and capital securities (<i>RMB'000</i>)	<u>(511,880)</u>	<u>(707,177)</u>
Profit used to determine diluted earnings per share (<i>RMB'000</i>)	3,562,861	3,088,855
Weighted average number of ordinary shares in issue (<i>thousands</i>)	6,015,516	5,702,860
Adjustment for:		
— share options (<i>thousands</i>)	34,841	2,885
— shares held for the Restricted Share Award Scheme (<i>thousands</i>)	<u>2,933</u>	<u>320</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousands</i>)	<u>6,053,290</u>	<u>5,706,065</u>
Diluted earnings per share (<i>RMB per share</i>)	<u><u>0.589</u></u>	<u><u>0.541</u></u>

12 DIVIDENDS

	Year ended 31 December	
	2013 RMB'000	2012 RMB'000
Interim dividend paid	325,725	283,391
Proposed final dividend of RMB0.13 (2012: RMB0.14) per ordinary share (a)	<u>920,391</u>	<u>806,942</u>

- (a) On 13 March 2014, the Company proposed a final dividend of RMB920,391,000 for the year ended 31 December 2013.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed upon by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary results announcement.

FINAL DIVIDEND

The Board proposed to recommend at the forthcoming AGM to be held on 9 May 2014 the payment of a final dividend of HKD0.16 per ordinary share for the year ended 31 December 2013. The final dividend will be paid in cash, with a scrip dividend option offered to all shareholders excluding shareholders with registered addresses outside Hong Kong. The final dividend and the scrip dividend option are subject to the approval of the shareholders at the forthcoming AGM and the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the new shares. The final dividend will be paid to the shareholders whose name is standing in the register of members of ordinary shares of the Company on Thursday, 15 May 2014. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited (the "Share Registrar") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 15 May 2014.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on 9 May 2014. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of ordinary shares of the Company will be closed from Monday, 5 May 2014 to Friday, 9 May 2014 (both dates inclusive), during which no transfer of ordinary shares will be registered. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar no later than 4:30 p.m. on Friday, 2 May 2014.

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

During the year under review, 1,900,000 ordinary shares of the Company being repurchased on the Stock Exchange were cancelled and the issued share capital of the Company was reduced by the par value thereof. The above repurchases were effected by the Directors, pursuant to the mandate granted by shareholders in the Company's annual general meeting held on 10 May 2013, with a view to benefit shareholders as a whole in enhancing the net assets and the earnings per share of the Company. Details of the repurchases of such ordinary shares are as follows:

Month of the repurchases	Number of ordinary shares repurchased	Highest price paid by share (HKD)	Lowest price paid by share (HKD)	Aggregate consideration (HKD Million)
June 2013	1,900,000	4.50	4.49	8.55

Save as disclosed above and in the paragraphs headed "Restricted Share Award Scheme" and "Convertible Securities" below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year under review.

RESTRICTED SHARE AWARD SCHEME

The Restricted Share Award Scheme (the "Award Scheme") was adopted by the Board on 22 March 2010 (the "Adoption Date") as an incentive to retain and encourage employees for the continual operation and development of our Group. During the year under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 2,189,184 shares of the Company by way of market acquisition at an aggregate consideration of approximately RMB3,673,000 (including transaction cost) and received scrip share in lieu of cash dividend in an amount of approximately RMB4,482,000. Up to 31 December 2013, 37,223,833 shares of the Company had been acquired from the market, at an aggregate consideration of approximately RMB140 million (including transaction costs), and from receiving scrip shares in lieu of cash dividend by the trustee, representing 0.66% of the issued share capital of the Company as at the Adoption Date.

Details of the number of shares awarded under Award Scheme and the shares vested during the year under review are set out below:

Date of award	Awarded Shares				
	Balance as at 1 January 2013	Shares awarded during the year	No. of shares vested during the year	No. of shares lapsed during the year <i>(note)</i>	Balance as at 31 December 2013
18 March 2011	6,247,296	–	(4,755,971)	(341,162)	1,150,163
18 March 2013	–	21,861,000	–	(28,000)	21,833,000
Total	<u>6,247,296</u>	<u>21,861,000</u>	<u>(4,755,971)</u>	<u>(369,162)</u>	<u>22,983,163</u>

Note: Pursuant to the Award Scheme, 369,162 awarded shares were lapsed upon the resignation of awardees.

CONVERTIBLE SECURITIES

During the year under review, all perpetual subordinated convertible securities issued by Sino-Ocean Land Capital Finance Limited, a wholly-owned subsidiary of the Company, in an aggregate principal amount of USD900 million were repurchased or redeemed by the Company and were subsequently cancelled.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules throughout the year under review, except as noted hereunder.

The roles of the chairman (the “Chairman”) and the chief executive officer (the “Chief Executive Officer”) of the Company are served by Mr. LI Ming and have not been segregated as required under code A.2.1 of the CG Code. However, the Company considers that the combination of the roles of the Chairman and the Chief Executive Officer will involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company.

Further information of the Company’s corporate governance practices will be set out in the Corporate Governance Report of the Company’s 2013 Annual Report which will be sent to the shareholders on or about 4 April 2014.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2013.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which has taken effect on 3 March 2014, the Board proposed the adoption of a new set of Articles of Association to replace the Company's current Memorandum and Articles of Association and will seek the shareholders' approval at the forthcoming AGM. Details will be set out in a circular to be sent to shareholders on or around 4 April 2014.

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

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.sinoceanland.com). The annual report for the year ended 31 December 2013 will be despatched to the shareholders on or about 4 April 2014 and will be available on the Company's and the Stock Exchange's websites about the same time.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to all shareholders, investors, local authorities, business partners and customers; also to our directors, management and the entire staff for their dedicated hard work. We could not have performed so well and achieved our targets in the past year without their unfailing support.

CHANGE OF COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE

The Board further announces that Mr. SUM Pui Ying, Adrian ("Mr. Sum") resigned as Company Secretary and Authorized Representative of the Company with effect from 14 March 2014. Mr. Sum confirmed that he has no disagreement with the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board is pleased to announce that Mr. LAM Tsz Kin ("Mr. Lam") has been appointed as Company Secretary and Authorized Representative of the Company with effect from 14 March 2014.

Mr. LAM Tsz Kin, aged 33, is the Financial Controller of Sino-Ocean Land (Hong Kong) Limited, a wholly-owned subsidiary of the Company. Mr. Lam joined the Group in January 2008. With extensive experience in corporate finance and accounting, Mr. Lam is mainly responsible for financial management, corporate financing, market research and analysis, corporate governance and investor's relationship of the Company. Mr. Lam studied at The University of Texas at Austin in 2001 through a cultural exchange programme and obtained a Bachelor of Business Administration from Hong Kong University of Science & Technology in December 2002. He has further obtained Executive Master of Business Administration (EMBA) from Tianjin University in December 2012. Mr. Lam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a member of CFA Institute, a member of Global Association of Risk Professional (GARP) and a fellow member of The Taxation Institute of Hong Kong. Mr. Lam has also served as a director of a number of subsidiaries of the Company.

The Board would like to take this opportunity to express its appreciation to Mr. Sum for his valuable contribution to the Company during his tenure of office and would also welcome Mr. Lam on his new appointment.

By order of the Board
Sino-Ocean Land Holdings Limited
LI Ming
Chairman

Hong Kong, 13 March 2014

As at the date of this announcement, the directors of the Company comprise:

Executive directors:

Mr. LI Ming
Mr. CHEN Runfu
Mr. WEN Haicheng

Non-executive directors:

Ms. LIU Hui
Mr. YANG Zheng
Mr. CHEUNG Vincent Sai Sing

Independent non-executive directors:

Mr. TSANG Hing Lun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang