远洋地产

SINO-OCEAN

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 2010

HIGHLIGHTS

- Total contracted sales amount up 51% to RMB21,603 million, with GFA sold increased by 15% to about 1,660,000 sq.m., both were record-high
- Revenue up 55% to RMB13,721 million
- Profit attributable to equity holders of the Company increased by 54% to RMB2,444 million
- Total assets up 49% to RMB92,730 million while shareholders' equity up 33% to RMB31,071 million
- Earnings per share up 18% to RMB0.398
- Proposed final dividend of HKD0.08 per share with a scrip dividend option
- Cash resources amounted to RMB15,035 million with landbank over 20 million sq.m.

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") for the year ended 31 December 2010.

As at the end of the reporting period, our Group recorded RMB13,721 million in revenue and RMB4,125 million in gross profit, both representing an increase of 55% compared to the previous year. Profit attributable to equity holders of the Company reached RMB2,444 million, and earnings per share amounted to RMB0.398.

Based on the profit attributable to equity holders of the Company, the Board of Directors is pleased to propose a final dividend of HKD0.08 per share for the year ended 31 December 2010. Together with the interim dividend of HKD0.05 per share, total dividend per share for 2010 was HKD0.13 (2009: HKD0.09), a dividend payout ratio of 26% (2009:26%). The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the 2010 final dividend wholly or partly by allotment of new shares credited as fully paid up in lieu of cash, subject to shareholders' approval on the payment of the 2010 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 ("Stock Exchange") of the listing of, and permission to deal in, the new shares to be issued pursuant thereto.

Market Review and Prospect

Real estate market has both an economic and a social impact on it. On the one hand, real estate market attracts investments and drives GDP growth, on the other hand, it affects people's livelihood. It is therefore the ultimate goal of the current control measures to maintain a healthy and steady growth of the real estate market and at the same time satisfy the housing demands of people at different income levels. To prevent the real estate market from over-heating, the Central Government introduced a series of control policies in April and September 2010 with a view to maintain property prices at a reasonable level through using a combination of economic and administrative measures. These policies on the one hand impose a stringent check on speculative activities in the real estate market and discourage irrational purchases; on the other hand hasten the construction of policy housing and firmly regulate land supply. Excessive price swell is to be halted through "augmented supply" and "regulated demand".

Looking ahead, China will go down the route of urbanisation and modern industrialisation, which is the major force to drive this largest developing country into the league of semi-developed nations. The current level of urbanisation in China is at the pivotal point of growing rapidly from 50% to 70%. In the next decade, China's housing demand from the larger urban population and for ameliorative and redevelopment housing will reach approximately 10 billion sq.m., sustaining the continuous growth of China's real estate market.

The ultimate goal of the macro-economic policies is to maintain the steady development of the real estate market, to satisfy the housing needs of people from different income levels, to establish a housing system suitable for the situation in China and to create a dual housing system comprising both commodity housing and policy housing. These tightening policies will therefore continue in 2011 and will remain in force. While the effects of the implemented policies will gradually become apparent in 2011, new policies will keep coming to improve the mechanism for a long-term housing system. In such a regulated environment, we reckon that the real estate market for 2011 will see suppressed transaction volume, increased supply, gradual tightening of credits and pressure on average price along with other uncertainties.

Developers who grasp the market trend are upgrading their products continuously, doing their best to know their customers, raising operating efficiency and speeding up turnaround time to build core competitiveness. This concentration of competition is changing the playing field. In a market that favours the survival of the fittest, advantage will further lean towards the major brands with modern management and efficient operation. To take advantage of a shifting market, companies must grasp and embrace these changes. In view of this new development mode of the real estate market, our Group will stay "prudent, proactive, flexible and disciplined" to accelerate our pace of development, to enhance our management quality and strengthen our capabilities to seize opportunities and stand up to challenges.

Financial Review

Our Group's revenue in 2010 grew by 55% to RMB13,721 million, from RMB8,824 million in 2009. The increase in revenue was mainly attributable to the growth in property development business.

The following table sets forth our revenue breakdown for 2010 and 2009.

RMB million	**2010**	**2009**	**YoY (%)**
Property development	12,798	8,218	56%
Property investment	212	156	36%
Hotel operations	29	38	-24%
Property management	262	172	52%
Other real estate related businesses	420	240	75%
Total	13,721	8,824	55%

Beijing region as our home base remained the largest revenue contributor, accounting for about 55% of our Group's revenue in 2010 (2009: 61%) and amounted to RMB7,546 million (2009: RMB5,368 million). The rise in revenue but decline in proportion was mainly due to more GFA have been delivered from areas outside Beijing in 2010.

Excluding car parks, average land cost for property development business in 2010 was approximately RMB2,610 per sq.m., increased by 14% from RMB2,290 per sq.m. in 2009. The higher land cost was mainly due to the delivery of Ocean Great Harmony (Beijing) and Ocean Landscape Eastern Area (Beijing), both are mid to high end residential projects. As a result of the delivery of more high end fit-out apartments and inflated material costs, average construction cost (excluding car parks) for property development business in 2010 was approximately RMB4,052 per sq.m., increased from RMB3,690 per sq.m. in 2009.

Gross profit has increased by 55% from RMB2,657 million in 2009 to RMB4,125 million in 2010. Gross profit margin remains stable at around 30%. The gross profit margin in 2010 was resulted from the combined effects of: (i) higher average selling price of RMB10,500 per sq.m. (including car parks) compared to RMB9,498 sq.m. in 2009; (ii) delivery of the high-end projects including Ocean Great Harmony (Beijing) and Ocean Worldview (Dalian) during the year; (iii) inflated construction costs and material costs; and (iv) increased revenue contribution from property development projects outside Beijing (from 42% in 2009 to 47% in 2010 in terms of property development revenue), which normally have lower gross profit margin compared to those in Beijing.

Our Group recorded other gains (net) of RMB188 million in 2010 as compared to other losses (net) of RMB8 million in 2009. Other gains (net) comprised (i) the disposal gains of two subsidiaries, namely Best Western Premier Beijing Hotel Limited and Beijing Yuanxiang Property Development Limited at approximately RMB297 million, and (ii) the exchange loss incurred from deposit held in offshore bank accounts of approximately RMB103 million.

Selling and marketing costs rose by 39% to RMB441 million in 2010 (2009: RMB318 million). These costs accounted for approximately 2% of the total contracted sales amount in 2010, same as 2009.

Administrative expenses increased by 43% to RMB457 million in 2010 (2009: RMB320 million). Our Group managed the overall administrative expenses accounted for 3.33% of total revenue for the current year, representing a 0.29 percentage point drop compared to 2009.

We were able to capitalize most of the interest expenses and thus leaving RMB287 million to be charged through income statement during the current period. The average interest rate remains relatively stable at around 5.4% for both 2010 and 2009.

The aggregate of enterprise income tax and deferred tax increased by 48% to RMB1,011 million in 2010 (2009: RMB681 million), with effective tax rate of 29% (2009: 27%). Land appreciation tax in 2010 increased to RMB403 million (2009: RMB248 million), accounting for 9.77% of gross profit in 2010 (2009: 9.33%).

Profit attributable to equity holders of the Company swelled by 54% to RMB2,444 million in 2010, compared to RMB1,582 million in 2009. Return on average equity improved to approximately 9% in 2010 (2009: 8%) even though we had a larger shareholders' equity base in 2010 as compared to 2009.

As at 31 December 2010, our Group has total cash resources (the aggregate of cash and cash equivalents and restricted bank deposits) of RMB15,035 million and a current ratio of 2.2 times. Together with the unutilized credit facilities of about RMB31,880 million, our Group is ensured to be financially sound.

The repayment schedule of our Group's total borrowings was as follows:

RMB million	**As at 31 December 2010**	**As at 31 December 2009**	**YoY (%)**
Within 1 year	9,920	4,653	113%
1 to 2 years	11,062	7,019	58%
2 to 5 years	6,184	6,359	-3%
Over 5 years	2,030	3,809	-47%
Total	29,196	21,840	34%

Business Review

Property Development

Recognized Sales

Revenue from property development business grew by 56% in 2010 and amounted to RMB12,798 million (2009: RMB8,218 million). Saleable GFA delivered increased by 42% from approximately 865,000 sq.m. in 2009 to approximately 1,224,000 sq.m. in 2010. Excluding car parks sales, the average selling price recognized in 2010 was about RMB11,200 per sq.m. (2009: RMB9,962 per sq.m.).

The following table presents the saleable GFA delivered and relevant information of each project in 2010.

Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognised (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Great Harmony遠洋 • 萬和城	2,605	74,641	34,900	100%
	Ocean Honored Chateau遠洋公館	344	8,130	42,300	100%
	Ocean Landscape Eastern Area遠洋 • 沁山水	2,874	228,462	12,600	100%
	Ocean Landscape遠洋山水	223	18,629	12,000	100%
	Ocean Office Park遠洋 • 光華國際	326	23,239	14,000	100%
	Ocean Seasons遠洋 • 自然	35	4,572	7,700	70%
	Poetry of River遠洋一方	37	2,560	14,500	100%
Dalian	Ocean Prospect遠洋風景	431	22,840	18,900	100%
	Ocean Worldview紅星海世界觀	1,983	211,089	9,400	100%
	Xiangsong Project香頌花城	373	95,596	3,900	100%
Qinhuangdao	Wan Hai Yi Hao灣海一號	45	6,529	6,900	100%
Shenyang	Ocean Paradise遠洋天地	298	50,482	5,900	100%
Tianjian	Ocean City遠洋城	1,146	169,701	6,800	100%
	Ocean Express遠洋新幹線	156	12,839	12,200	97.05%
	Ocean Paradise海河新天地	96	7,848	12,200	96.99%
Zhongshan	Ocean City遠洋城	1,410	170,500	8,300	100%
Subtotal		12,382	1,107,657	11,200	
Car parks (various projects)		416	115,929	3,600	
Total		**12,798**	**1,223,586**	**10,500**	

Contracted Sales

Contracted sales reached a record high in 2010 to RMB21,603 million, up by 51% compared to RMB14,316 million in 2009. Total GFA sold, including car parks, increased by 15% to about 1,660,000 sq.m. (2009: 1,440,000 sq.m.). Average selling price per sq.m. in 2010 was about RMB13,000 (2009: RMB9,942) (including car parks sale) and RMB13,600 (2009: RMB10,366) (excluding car parks sale). Outstanding contracted sales to be recognized in 2011 or later amounted to RMB20,422 million, increased by 76% compared to that as at the year end of 2009, promising a solid base for our Group's future revenue growth.

The following table lists the contracted sales amounts and GFA sold by projects in 2010:

Cities	Projects	Contracted sales amount (RMB milliom)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Great Harmony遠洋 • 萬和城	1,778	39,649	44,800	100%
	Ocean Honored Chateau遠洋公館	299	6,971	42,900	100%
	Ocean Landscape Eastern Area遠洋 • 沁山水	2,508	94,888	26,400	100%
	Ocean Landscape遠洋山水	110	7,902	13,900	100%
	Ocean Seasons遠洋 • 自然	160	23,343	6,900	70%
	Poetry of River - Eastern Area 遠洋 • 新悅(遠洋一方東區)	1,294	69,288	18,700	100%
	Poetry of River遠洋一方*	1,118	104,762	10,700	100%
	Ocean Oriental (Tongzhou Yuqiao Project) 遠洋 • 東方(通州玉橋項目)	349	21,834	16,000	100%
Chengdu	Ocean Langjun 遠洋 • 朗郡	186	27,921	6,700	100%
Dalian	Ocean Seasons (Nanguan Ling Project) 遠洋 • 自然(南關嶺項目)	871	82,516	10,600	100%
	Ocean Plaza遠洋廣場(中華路項目)	7	611	11,500	100%
	Ocean Prospect遠洋風景	260	15,926	16,300	100%
	Ocean Worldview紅星海世界觀	2,197	158,915	13,800	100%
	Ocean Time (University Zone) 遠洋時代城(大學城項目)	197	24,854	7,900	100%
	Xiangsong Project香頌花城	217	50,868	4,300	100%
Qinhuangdao	Wan Hai Yi Hao灣海一號	69	10,572	6,500	100%
Hangzhou	Canal Commercial District遠洋公館(運河商務區)	2,834	82,660	34,300	51%**
Sanya	Ocean Olympics遠洋奧林匹克公館	401	20,617	19,400	70%
Shenyang	Ocean Paradise遠洋天地	1,625	194,492	8,400	100%
Tianjian	Ocean City遠洋城	2,004	216,841	9,200	100%
	Ocean Express 遠洋新幹線	649	60,453	10,700	97.05%
	Ocean Great Harmony 遠洋 • 萬和城(倪黃庄項目)	192	13,559	14,200	100%
	Ocean Paradise海河新天地	54	3,967	13,600	96.99%
Zhongshan	Ocean City遠洋城	1,819	220,023	8,300	100%
Subtotal		21,198	1,553,432	13,600	
Carparks (various projects)		405	106,791	3,800	
Total		**21,603**	**1,660,223**	**13,000**	

* Including Poetry of River commodity housing and capped price housing.

** Our Group has announced to dispose 49% of the project as at 31 December 2010. It is expected to be completed in the first half of 2011.

Construction Progress and Developing Projects

Total GFA and total saleable GFA completed in 2010 were approximately 1,292,000 sq.m. and 1,153,000 sq.m., going up by 29% and 34% respectively compared to that in 2009. Meanwhile, we target to increase our construction scale in order to have more GFA available for sale and for delivery to support our growth in 2011.

Land Bank

In 2010, our Group acquired 22 new land plots at a total consideration of RMB31,027 million covering a total GFA of approximately 7,948,000 sq.m. at an average acquisition price of about RMB4,683 per sq.m with attributable GFA of 6,626,000 sq.m.

Our Group's landbank increased by 49% to 20,608,000 sq.m. as at the year end of 2010 (2009: 13,808,000 sq.m.); while landbank with attributable interest increased by 37% to 18,588,000 sq.m. (2009: 13,549,000 sq.m.). Saleable GFA in the landbank was about 17,266,000 sq.m. as at 31 December 2010 providing a sound basis for our continuous and steady development. The average land cost per sq.m. of our Group's landbank as at 31 December 2010 was approximately RMB3,157 (2009: RMB2,251).

Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
GFA in terms of completed properties held for sales					
Beijing	Ocean Great Harmony遠洋•萬和城	261,000	221,000	45,000	100%
	Ocean Landscape Eastern Area 遠洋•沁山水	322,000	280,000	32,000	100%
	Ocean Seasons遠洋•自然	381,000	260,000	35,000	70%
Qinhuangdao	Wan Hai Yi Hao灣海一號	39,000	39,000	17,000	100%
Zhongshan	Ocean City遠洋城	509,000	461,000	45,000	100%
Subtotal		1,512,000	1,261,000	174,000	

Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
GFA in terms of properties under development					
Beijing	INDIGO (Jiangtai Business Center) 頤堤港(將台商務中心)	295,000	264,000	295,000	50%
	Ocean Great Harmony遠洋 • 萬和城	190,000	181,000	190,000	100%
	Ocean La Vie遠洋 • La Vie	260,000	130,000	260,000	85.72%
	Ocean Landscape Eastern Area 遠洋 • 沁山水	177,000	149,000	177,000	100%
	Poetry of River-Eastern Area 遠洋 • 新悅(遠洋一方東區)	110,000	85,000	110,000	100%
	Poetry of River遠洋一方*	790,000	704,000	631,000	100%
	Ocean Oriental (Tongzhou Yuqiao Project) 遠洋 • 東方(通州玉橋項目)	175,000	150,000	175,000	100%
Chengdu	Ocean Langjun遠洋 • 朗郡	155,000	137,000	155,000	100%
Dalian	Ocean Seasons (Nanguan Ling Project) 遠洋 • 自然(南關嶺項目)	138,000	105,000	138,000	100%
	Ocean Plaza 遠洋廣場(中華路項目)	293,000	254,000	293,000	100%
	Ocean Prospect遠洋風景	178,000	142,000	27,000	100%
	Ocean Worldview紅星海世界觀	1,956,000	1,479,000	1,677,000	100%
	Ocean Times (University Zone) 遠洋時代城(大學城項目)	561,000	472,000	561,000	100%
	Ocean Midtown (Xishan Project) 遠洋MIDTOWN(西山項目)	92,000	84,000	92,000	100%
Hangzhou	Canal Commercial District 遠洋公館(運河商務區)	867,000	664,000	867,000	51%**
Qingdao	Fushan Project 遠洋風景(浮山項目)	145,000	103,000	145,000	100%
Sanya	Ocean Olympics遠洋奧林匹克公館	53,000	49,000	53,000	70%
Shenyang	Ocean Paradise遠洋天地	707,000	596,000	506,000	100%
Tianjian	Ocean City遠洋城	863,000	629,000	630,000	100%
	Ocean Express遠洋新幹線	337,000	288,000	206,000	97.05%
	Ocean Great Harmony 遠洋 • 萬和城(倪黃庄項目)	334,000	261,000	334,000	100%
	Ocean Paradise海河新天地	154,000	103,000	154,000	96.99%
Wuhan	Tangchen Project 有座庄園(湯臣項目)	81,000	81,000	81,000	55%
	Ocean World遠洋世界(金磐項目)	482,000	444,000	482,000	55%
Zhongshan	Ocean City遠洋城	777,000	726,000	680,000	100%
Subtotal		10,170,000	8,280,000	8,919,000	

* Including Poetry of River commodity housing and capped price housing.

** Our Group has announced to dispose 49% of the Project as at 31 December 2010. It is expected to be completed in the first half of 2011.

Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining landbank (sq.m.)	Interest attributable to our Group (%)
GFA in terms of properties held for future development					
Beijing	Ocean Manor (Beiqijia Project) 遠洋•傲北(北七家)	287,000	186,000	287,000	100%
	CBD Plot Z6	250,000	190,000	250,000	80%
	Dawangjing Project大望京項目	211,000	151,000	211,000	100%
	Ocean Landscape Eastern Area 遠洋•沁山水	103,000	103,000	103,000	100%
	Wangfujing Project 王府井項目	50,000	45,000	50,000	100%
	Ocean Palace (Yizhuang Sanyang) 遠洋•天著(亦庄三羊)	440,000	242,000	440,000	100%
Chengdu	Daci Project大慈寺項目	384,000	351,000	384,000	50%
Changchun	Jingyue Porject長春淨月項目	1,083,000	995,000	1,083,000	51%
Chongqing	Gold Club Project國際高爾夫項目	362,000	349,000	362,000	93.25%
Dlian	Diamond Bay Project鑽石灣項目	2,007,000	1,736,000	2,007,000	90%
	IT Zone-Industrial IT產業園-工業部份	927,000	927,000	927,000	100%
	Ocean Valley Lafite (IT Zone-Residential) 遠洋•拉斐庄園(IT產業園-住宅部份)	426,000	393,000	426,000	100%
	Ocean Plaza 遠洋廣場(中華路項目)	111,000	54,000	111,000	100%
	Xiaoyao Bay Project小窑灣項目	180,000	156,000	180,000	100%
Haihau	Yexiang Village Project 盈濱半島(椰香村項目)	57,000	57,000	57,000	70%
Hangzhou	Hang Yimian大河宸章(杭一棉)	208,000	142,000	208,000	70%
Huangshan	Taohuadao Project桃花島項目	140,000	135,000	140,000	100%
Qingdao	Quanzhoulu Project 遠洋公館(泉州路項目)	114,000	78,000	114,000	100%
Qinhuangdao	Ocean Century遠洋•海世紀	1,359,000	1,242,000	1,359,000	100%
Sanya	Tang Di Project棠棣項目	14,000	12,000	14,000	52.5%
Shanghai	Bond Castle (Meilanwu Project) 遠洋•博堡(美蘭湖項目)	91,000	91,000	91,000	100%
Shenyang	Baishanlubei Project白山路北項目	137,000	136,000	137,000	100%
Tianjin	Ocean City遠洋城	1,476,000	1,167,000	1,476,000	100%
	Ocean Paradise海河新天地	147,000	107,000	147,000	96.99%
	Ocean Prospect (Zhangguizhuang Project) 遠洋風景(張貴庄項目)	316,000	262,000	316,000	90%
Zhongshan	Ocean City遠洋城	635,000	572,000	635,000	100%
Subtotal		11,515,000	9,879,000	11,515,000	
Total		**23,197,000**	**19,420,000**	**20,608,000**	

The audited consolidated results of the Group for the year ended 31 December 2010 are as follows:

Consolidated Balance Statement

	As at 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	214,895	324,867
Land use rights	9,723	38,964
Investment properties	4,988,572	3,984,000
Goodwill	705,572	662,602
Interests in jointly controlled entities	687,826	671,685
Interests in associates	397,458	294,462
Available-for-sale financial assets	433,886	592,648
Derivative financial instrument	—	8,331
Trade and other receivables	85,367	893,590
Deferred income tax assets	814,244	305,539
	8,337,543	7,776,688
Current assets		
Deposits for land use rights	18,825,060	7,371,019
Properties under development	41,393,331	22,254,218
Inventories, at cost	231,280	99,503
Land development cost recoverable	2,439,138	926,828
Completed properties held for sale	2,648,568	3,483,588
Available-for-sale financial assets	181,663	—
Other investment	43,707	—
Financial assets at fair value through profit or loss	29,101	—
Trade and other receivables	3,566,474	1,720,294
Restricted bank deposits	1,057,378	896,442
Cash and cash equivalents	13,977,211	17,619,619
	84,392,911	54,371,511
Total assets	92,730,454	62,148,199

	As at 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
EQUITY		
Capital and reserves attributable to		
Equity holders		
Share capital and premium	20,121,412	20,117,523
Shares held for Restricted Shares Award Scheme	(95,986)	—
Convertible securities	5,970,266	—
Reserves	(226,865)	(485,282)
Retained earnings		
– proposed final dividend	379,758	248,154
– others	4,922,121	3,487,484
	31,070,706	23,367,879
Non-controlling interests	2,055,098	518,535
Total equity	33,125,804	23,886,414
LIABILITIES		
Non-current liabilities		
Borrowings	19,276,159	17,186,844
Deferred income tax liabilities	1,351,372	999,182
	20,627,531	18,186,026
Current liabilities		
Borrowings	9,920,123	4,653,168
Trade and other payables	10,831,635	4,526,103
Advances from customers	16,234,852	9,494,610
Income tax payable	1,990,509	1,401,878
	38,977,119	20,075,759
Total liabilities	59,604,650	38,261,785
Total equity and liabilities	92,730,454	62,148,199
Net current assets	45,415,792	34,295,752
Total assets less current liabilities	53,753,335	42,072,440

Consolidated Income Statement

	Note	Year ended 31 December 2010 *RMB'000*	2009 *RMB'000*
Revenue	4	13,720,665	8,823,658
Cost of sales		(9,596,016)	(6,166,644)
Gross profit		4,124,649	2,657,014
Interest and other income		239,957	210,593
Other gains/(losses) - net	6	187,958	(8,294)
Fair value gains on investment properties		567,350	708,625
Selling and marketing costs		(441,019)	(318,252)
Administrative expenses		(457,233)	(319,539)
Operating profit		4,221,662	2,930,147
Finance costs	7	(287,356)	(308,753)
Share of losses of jointly controlled entities		(8,859)	(35,315)
Share of losses of associates		(72,004)	(18,334)
Profit before income tax		3,853,443	2,567,745
Income tax expense	8	(1,414,620)	(929,401)
Profit for the year		2,438,823	1,638,344
Attributable to:			
Equity holders		2,444,076	1,582,077
Non-controlling interests		(5,253)	56,267
		2,438,823	1,638,344
Earnings per share attributable to equity holders during the year (expressed in RMB)			
– basic	9	0.398	0.337
– diluted	9	0.397	0.336

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Profit for the year	2,438,823	1,638,344
Other comprehensive income		
Fair value losses on available-for-sale financial assets	(38,421)	(11,402)
Reserves realized in consolidated income statement upon disposal of available-for-sale investments through disposal of subsidiaries	80,089	—
Currency translation differences	(20,520)	(677)
Other comprehensive income for the year	21,148	(12,079)
Total comprehensive income for the year	2,459,971	1,626,265
Total comprehensive income attributable to:		
– Equity holders	2,465,224	1,569,998
– Non-controlling interests	(5,253)	56,267
	2,459,971	1,626,265

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").

These consolidated financial statements are presented in Renminbi, unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements have been approved for issue by the Board of Directors on 17 March 2011.

2 Basis of preparation

These 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, 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 judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement 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 these 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 new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- HKFRS 3 (revised), "Business combinations", and consequential amendments to HKAS 27, "Consolidated and separate financial statements", HKAS 28, "Investments in associates", and HKAS 31, "Interests in joint ventures",
- HKAS 27(revised), 'Consolidated and separate financial statement', and consequential amendments to HKAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures',
- HKAS 17 (amendment), "Leases"
- HKAS 36 (amendment), 'Impairment of assets',
- HKFRS 2 (amendments), 'Group cash-settled share-based payment transactions'.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

- HK(IFRIC) 17, "Distribution of non-cash assets to owners",
- HK(IFRIC) 18, "Transfers of assets from customers",
- HK(IFRIC) 9, 'Reassessment of embedded derivatives and HKAS 39, Financial instruments: Recognition and measurement',
- HK(IFRIC) 16, Hedges of a net investment in a foreign operation',
- HKAS 1 (amendment), 'Presentation of financial statements',
- HKFR 5 (amendment), 'Non-current assets held for sale and discounted operations'.

(c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted.

- HKFRS 9, 'Financial instruments',
- Revised HKAS 24 (revised), 'Related party disclosures',
- 'Classification of rights issues' (amendment to HKAS 32),
- HK (IFRIC) - Int 19, 'Extinguishing financial liabilities with equity instruments',
- Prepayments of a minimum funding requirement' (amendments to HK (IFRIC) - Int 14),
- 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters',
- 'Deferred tax: Recovery of underlying assets' (HKAS 12 (Amendment)).

4 Segment information

The segment information provided to the committee for the reportable segments for the year ended 31 December 2010 and 2009 is as follows:

	Property development				Investment property	All other segments	Total	Inter-Company elimination	Group 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 2010									
Total revenue	6,764,924	1,414,170	3,183,473	1,435,415	217,079	1,877,719	14,892,780	—	14,892,780
Inter-segment revenue	—	—	—	—	(5,515)	(1,166,600)	(1,172,115)	—	(1,172,115)
Revenue (from external customers)	6,764,924	1,414,170	3,183,473	1,435,415	211,564	711,119	13,720,665	—	13,720,665
Segment operating profit	2,601,814	250,320	825,999	100,161	98,015	500,568	4,376,877	(410,899)	3,965,978
Depreciation and amortization	(1,565)	(1,342)	(6,836)	(7,170)	(684)	(14,358)	(31,955)	—	(31,955)
Goodwill disposed for sales of properties	—	(8,838)	—	(75,064)	—	—	(83,902)	—	(83,902)
Income tax expense (Note 8)	(276,473)	(59,520)	(243,165)	(157,670)	(43,606)	(634,186)	(1,414,620)	—	(1,414,620)
Finance income	134,465	45,632	154,426	58,569	3,384	493,544	890,020	(782,206)	107,814
Year ended 31 December 2009									
Total revenue	4,765,282	697,898	1,637,613	1,117,628	162,498	1,145,988	9,526,907	—	9,526,907
Inter-segment revenue	—	—	—	—	(6,009)	(697,240)	(703,249)	—	(703,249)
Revenue (from external customers)	4,765,282	697,898	1,637,613	1,117,628	156,489	448,748	8,823,658	—	8,823,658
Segment operating profit	1,719,935	123,014	339,640	95,483	107,123	161,377	2,546,572	(202,447)	2,344,125
Depreciation and amortization	(1,560)	(934)	(5,372)	(1,660)	(341)	(9,832)	(19,699)	—	(19,699)
Goodwill disposed for sales of properties	—	—	—	(71,967)	—	—	(71,967)	—	(71,967)
Income tax expense (Note 8)	(309,589)	(24,784)	(134,595)	(50,291)	(15,572)	(394,570)	(929,401)	—	(929,401)
Finance income	94,903	16,091	28,688	6,594	6,228	22,203	174,707	(118,306)	56,401

	Property development				Investment property	All other segments	Total	Inter-Company elimination	Group total
	Beijing	Tianjin	North-east	Others					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2010									
Total segment assets	33,940,037	9,569,868	25,535,994	20,616,400	5,274,465	19,395,793	114,332,557	(34,540,220)	79,792,337
Additions to non-current assets (other than financial instruments and deferred tax assets)	140,124	3,101	10,381	42,715	299,298	37,707	533,326	—	533,326
Total segment liabilities	16,232,942	3,661,878	7,428,596	9,087,159	1,202,665	15,198,662	52,811,902	(23,958,923)	28,852,979
As at 31 December 2009									
Total segment assets	19,549,097	4,696,369	9,038,347	10,092,367	4,180,120	8,238,678	55,794,978	(7,287,088)	48,507,890
Additions to non-current assets (other than financial instruments and deferred tax assets)	515	2,072	21,618	4,486	638	15,271	44,600	—	44,600
Total segment liabilities	12,033,464	2,385,794	3,968,744	2,550,981	910,747	1,503,032	23,352,762	(7,930,171)	15,422,591

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

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Segment operating profit	3,965,978	2,344,125
Corporate finance income	72,687	111,208
Corporate overheads	(384,353)	(233,811)
Finance costs (Note 7)	(287,356)	(308,753)
Fair value gain on investment properties	567,350	708,625
Share of loss of jointly controlled entities	(8,859)	(35,315)
Share of loss of associates	(72,004)	(18,334)
Profit before income tax	3,853,443	2,567,745

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

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Total segment assets	79,792,337	48,507,890
Corporate cash and cash equivalents	10,350,232	11,775,975
Investment in jointly controlled entities	687,826	671,685
Investment in associates	397,458	294,462
Available-for-sale financial assets	615,549	592,648
Financial assets at fair value through profit or loss	29,101	—
Other investment	43,707	—
Deferred income tax assets	814,244	305,539
Total assets per consolidated balance sheet	92,730,454	62,148,199
Total segment liabilities	28,852,979	15,422,591
Deferred income tax liabilities	1,351,372	999,182
Current borrowings	9,920,123	4,653,168
Non-current borrowings	19,276,159	17,186,844
Distribution payable	204,017	—
Total liabilities per consolidated balance sheet	59,604,650	38,261,785

The Company is incorporated in Hong Kong, with most of its major subsidiaries domiciled in the PRC. All revenues from external customers of the Group are derived in the PRC for the years ended 31 December 2010 and 2009.

As at 31 December 2010, the total of non-current assets other than financial instruments and deferred tax assets located in the PRC is RMB6,873,008,000 (2009: RMB5,974,738,000), and the total of these non-current assets located in Hong Kong is RMB131,038,000 (2009: RMB1,842,000).

For the year ended 31 December 2010 and 2009, the Group does not have any single significant customer with the transaction value above 10% of the external sales.

5 Expenses by nature

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

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Cost of properties and land use rights sold:		
- Land use rights	1,127,017	813,168
- Capitalized interest	252,252	232,737
- Construction related cost	6,884,007	4,144,112
Cost of upfitting services rendered	174,289	155,686
Direct investment property expenses	99,408	70,301
Employee benefit expense	363,863	312,479
Consultancy fee	102,551	72,451
Auditor's remuneration	10,650	7,100
Depreciation	31,428	18,816
Amortization of land use rights	527	883
Advertising and marketing	388,543	284,722
Business taxes and other levies	763,229	490,936
Net impairment for trade and other receivables	663	367
Office expenditure	85,151	47,697
Properties maintenance expenses	86,526	67,554
Energy expenses	41,943	32,060
Others	82,221	53,366
	10,494,268	6,804,435

6 Other gains/(losses) - net

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Loss on disposal of available-for-sale financial assets	—	(9,454)
Gain on disposal of subsidiaries, net	297,048	3,585
Gain on redemption of convertible bonds	—	1,458
De-recognition of derivative financial instrument	(8,331)	—
Fair value gain of other investment	1,165	—
Loss on revaluation of financial assets at fair value through profit or loss	(3,703)	—
Gain on disposal of financial assets at fair value through profit or loss	2,551	—
Negative goodwill from acquisition of a subsidiary	2,512	10,867
Gain/(loss) on disposal of property, plant and equipment	179	(88)
Exchange losses	(103,463)	(14,662)
	187,958	(8,294)

7 Finance costs

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Interest expense:		
- Bank borrowings	1,143,434	871,368
- Other borrowings	342,423	85,080
- Convertible bonds	—	32,889
Less: interest capitalized at a capitalization rate of 5.35% (2009: 5.35%) per annum	(1,198,501)	(680,584)
	287,356	308,753

8 Income tax expense

Majority of the Group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for the years ended 31 December 2010 and 2009. Other companies are mainly subjected to Hong Kong profits tax.

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

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Current income tax:		
– PRC enterprise income tax	1,442,655	687,105
– PRC land appreciation tax	403,149	248,084
Deferred income tax	(431,184)	(5,788)
	1,414,620	929,401

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	
	2010	**2009**
	RMB'000	*RMB'000*
Profit before income tax	3,853,443	2,567,745
Add: Share of loss of a jointly controlled entity	8,859	35,315
Share of losses of associates	72,004	18,334
	3,934,306	2,621,394
Tax calculated at a tax rate of 25%	983,577	655,349
Effect of higher tax rate for the appreciation of land in the PRC	302,362	186,063
Income not subject to tax	(17,219)	(17,979)
Expenses not deductible for tax purposes	124,297	76,491
Tax losses not recognized	48,386	44,168
Utilization of previously unrecognized tax losses	(26,783)	(14,691)
Tax expense	1,414,620	929,401

9 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	Year ended 31 December	
	2010	**2009**
Profit attributable to equity holders of the Company (RMB'000)	2,444,076	1,582,077
Distribution relating to convertible securities (RMB'000)	(204,017)	—
Profit used to determine basic earnings per share (RMB'000)	2,240,059	1,582,077
Weighted average number of ordinary shares in issue (thousands)	5,632,962	4,690,952
Basic earnings per share (RMB per share)	0.398	0.337

(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 two categories of dilutive potential ordinary shares: share options and convertible securities. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. 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. Convertible securities of 374,278,000 shares when calculated on a weighted average basis were not included in the calculation of dilutive earnings per share because of their anti-diluted effect.

	Year ended 31 December	
	2010	**2009**
Profit attributable to equity holders of the Company (RMB'000)	2,444,076	1,582,077
Distribution relating to on convertible securities (RMB'000)	(204,017)	—
Profit used to determine diluted earnings per share (RMB'000)	2,240,059	1,582,077
Weighted average number of ordinary shares in issue (thousands)	5,632,962	4,690,952
Adjustment for:		
– share options (thousands)	15,982	15,954
Weighted average number of ordinary shares for diluted earnings per share (thousands)	5,648,944	4,706,906
Diluted earnings per share (RMB per share)	0.397	0.336

10 Dividends

	Year ended 31 December	
	2010	**2009**
	RMB'000	*RMB'000*
Interim dividend paid	246,850	165,513
Final dividend proposed (a)	379,758	248,154

(a) On 17 March 2011, the Company proposed a final dividend of RMB379,758,000.

11 Event after balance sheet date

On 21 January 2011 and 30 January 2011, the Group successfully bid for two pieces of land located within Baoshan District of Shanghai, P.R.C., with a consideration of RMB538,260,000 and RMB 3,133,770,000. These lands occupy a total area of 35,600 sq.m. and 137,708 sq.m. respectively. These lands are planned for residential and commercial use.

FINAL DIVIDEND

The Directors proposed the payment of a final dividend of HKD0.08 per ordinary share for the year ended 31 December 2010. 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. Subject to the approval of the shareholders at the forthcoming annual general meeting, and conditional upon Listing Committee of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting approval to the listing of and premission to deal in the new share, the final dividend will be paid to shareholders whose names appear on the register of members of the Company as at the close of business on 12 May 2011.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 12 May 2011. The notice of Annual General Meeting will be published and dispatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Security 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 Friday, 6 May 2011 to Thursday, 12 May 2011 (both dates inclusive), during which period, no transfer of ordinary shares will be registered. 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 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, 5 May 2011.

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

Save as disclosed below in paragraph headed "Restricted Share Award Scheme", 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

As announced by the Company on 22 March 2010, the Board of the Company resolved to adopt the restricted share award scheme (the"Award Scheme") on 22 March 2010 (the"Adoption Date") as an incentive to retain and encourage the employees of the Group for the continual operation and development of the Group. As at 31 December 2010, the Company had through the trustee purchased 21,528,000 shares, representing 0.38% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK$114 million (including transaction costs). Up to the date of this announcement, the purchased shares have been held in trust by the trustee. As at 31 December 2010, no share was awarded to any selected employees under the Award Scheme.

CORPORATE GOVERNANCE

During the year ended 31 December 2010, the Company complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules except that (i) under CG Code Provision A.4.1, the non-executive directors should be appointed for a specific term subject to re-election. Three non-executive directors and four independent non-executive directors of the Company are not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. According to Article 110 of the Articles of Association of the Company, one-third of the directors for the time being, or if their number is not three or a multiple of three, the number which is nearest to one-third and is at least one-third, shall retire from office by rotation at least once every three years, and a retiring director shall be eligible for re-election. Therefore, the Board considers that non-compliance with CG Code A.4.1 is acceptable since the terms of all such non-executive directors would not exceed three years in light of the rotation system, and (ii) the roles of Chairman and the Chief Executive Officer of the Company have not been segregated as required CG Code Provision A.2.1, 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 2010 Annual Report which will be sent to the shareholders on or about 30 March 2011.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Company for the year. The figures contained in the preliminary announcement of the Group's results for the year have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's financial statements for the year ended 31 December 2010.

PUBLICATION OF THE RESULTS ANNOUNCEMENTS 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 the Company's website (www.sinooceanland.com). The annual report for the year ended 31 December 2010 will be despatched to shareholders on or about 30 March 2011 and will be available on the Company's and the Stock Exchange's websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincerest gratitude to our shareholders, investors, local authorities, business partners and customers for their great support; and to our fellow Directors, the management team and staff who have worked tirelessly with us. Their dedication and commitment has been instrumental in our achievements.

By order of the Board
LI Ming
Chairman

Hong Kong, 17 March 2011

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

Executive directors:	*Non-executive directors:*	*Independent non-executive directors:*
Mr. LI Ming	Ms. LIU Hui	Mr. TSANG Hing Lun
Mr. WANG Xiaoguang	Mr. LIANG Yanfeng	Mr. GU Yunchang
Mr. CHEN Runfu	Mr. WANG Xiaodong	Mr. HAN Xiaojing
		Mr. ZHAO Kang