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 2011

HIGHLIGHTS

- Total contracted sales amount up 25% to RMB27,005 million, with GFA sold increased by 26% to about 2.1 million sq.m., both were record-high
- Revenue up 45% to RMB19,897 million
- Profit attributable to owners of the Company amounted to RMB2,571 million
- Total assets up 19% to RMB110,285 million while owners' equity (including convertible securities and capital securities) up 14% to RMB35,268 million
- Earnings per share amounted to RMB0.352
- Proposed final dividend of HKD0.10 per share with a scrip dividend option
- Cash resources amounted to RMB12,417 million with landbank over 23 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" or "We") for the year ended 31 December 2011.

As at the end of the reporting period, our Group recorded RMB19,897 million in revenue and RMB6,258 million in gross profit, representing an increase of 45% and 52% respectively compared to the previous year. Profit attributable to owners of the Company reached RMB2,571 million, and earnings per share amounted to RMB0.352.

Based on the profit attributable to owners of the Company, the Board is pleased to propose a final dividend of HKD0.10 per share for the year ended 31 December 2011. Together with the interim dividend of HKD0.05 per share, total dividend per share for 2011 was HKD0.15 (2010: HKD0.13), a dividend payout ratio of 27% (2010: 26%). The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the 2011 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 2011 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

In the past year, the macro measures implemented on market monitoring, currency, tax and land supply effectively curbed the over-heated property price as they were meant to do. The new 'Eight National Regulations' launched at the beginning of 2011 were the main substance of the real estate control measures. The tighter restriction on purchase suppressed demand further. Supply, though slowed down noticeably, was still growing. The current real estate macro measures have provided precious time and space for policy housing. In the future, commodity housing and policy housing will form a complementary housing structure. Looking at the market sectors in 2011 the commercial property market out-performed the residential market in sales volume, GFA and average price. There was a visible hike in the market share of commodity properties.

We think that the control measures and market restructuring will continue in 2012. However, such macro policy may subject to minor adjustment, depending on the market movement which may be picked up later. There will be further consolidation of the industry with the stronger players remaining and expanding while the weaker ones fading out. To go with the objectives of the current policy - increase supply, protect people's livelihood, restrict and curb speculative investment - supply of residential properties will remain stable in 2012 in the whole country, bringing down the price of commodity housing perceptibly. The performance and price trend will vary across different cities. We have noted that because of real demand (first-time purchase, first-time upgrade), third and fourth-tier cities will push performance above the market in general. In addition, high-end residential and commercial properties in city centers or along major transportation hub in first-tier cities and certain second-tier cities are favored by the market for their value keeping and appreciation potential.

Considering the mid to long term, when the housing structure is established to satisfaction, the current restriction on purchase should be gradually released and probably withdrawn eventually. We believe that the property market and related policies will be more stable, orderly and predictable. On the other hand, customers will be more rational in purchase and require better product and services. In view that there will not be significant change in monetary policy, property developers will need to explore new financing channel in order to be prominence. Therefore, we will continue to improve our product quality and cost control, understanding the need of our customers, in order to be outstanding and further expand our market share, to support our business growth.

We will use our existing landbank as the basis to have a holistic consideration of location planning, product mix, mode of co-operation and the projects themselves to carefully structure the projects with the principles of the least risks, fastest sales, least investment and optimal size. We have the capability and confidence to withstand the harsh market conditions that we are facing. We have also made preparations to ensure safe operation and to grasp opportunities arising from industry adjustments.

Financial Review

Our Group's revenue in 2011 grew by 45% to RMB19,897 million, from RMB13,721 million in 2010. The increase in revenue was mainly attributable to the growth in property development business.

RMB million	**2011**	**2010**	**YoY (%)**
Property development	17,618	12,798	38%
Property investment	340	212	60%
Property management	377	262	44%
Other real estate related businesses (including furnishing and decoration business)	1,562	449	248%
Total	19,897	13,721	45%

Beijing region as our home base remained the largest revenue contributor, accounting for about 50% of our Group's revenue in 2011 (2010: 55%) and amounted to RMB9,855 million (2010: RMB7,546 million). The rise in revenue but decline in proportion was mainly due to more GFA have been delivered from areas outside Beijing.

Excluding car parks, average land cost for property development business in 2010 was approximately RMB2,610 per sq.m., dropped to RMB2,574 per sq.m. in 2011. Besides, average construction cost (excluding car parks) for property development business in 2010 was RMB4,052 per sq.m., increased to approximately RMB4,522 per sq.m. in 2011.

Gross profit has increased by 52% from RMB4,125 million in 2010 to RMB6,258 million in 2011. Gross profit margin increased to 31% (2010: 30%). The gross profit margin in 2011 was resulted from the combined effects of: (i) higher average selling price of RMB11,900 per sq.m. (including car parks) compared to RMB 10,500 per sq.m. in 2010 on GFA delivered; (ii) delivery of more GFA from matured projects including Ocean Landscape Eastern Area (Beijing), Ocean Worldview (Dalian) , Ocean Paradise (Shenyang) and Ocean City (Zhongshan); thus offset the effect from the increase in construction costs and material costs.

Our Group recorded other gains (net) of RMB128 million in 2011 (2010: RMB188 million). Other gains (net) comprised the gain on disposal of available-for-sale financial assets and the exchange gain recognised during the current year.

Selling and marketing costs rose to RMB776 million in 2011 (2010: RMB441 million). These costs accounted for approximately 3% of the total contracted sales amount in 2011 (2010: 2%).

Administrative expenses increased to RMB820 million in 2011 (2010: RMB457 million). Our Group managed the overall administrative expenses accounted for about 4% of total revenue for the current year, comparable to that of 2010.

We were able to capitalize most of the interest expenses and thus leaving RMB419 million to be charged through income statement during the current year, which was RMB287 million in 2010. Due to the general increase in borrowing cost, our average interest rate increased to 6.67% in 2011, with slight increment as compared to 5.35% of last year.

The aggregate of enterprise income tax and deferred tax increased by 43% to RMB1,446 million in 2011 (2010: RMB1,011 million), with effective tax rate of 36% (2010: 29%). Land appreciation tax in 2011 increased to RMB1,108 million (2010: RMB403 million), accounting for 17.7% of gross profit in 2011 (2010: 9.8%).

Profit attributable to owners of the Company swelled by 5% to RMB2,571 million in 2011, compared to RMB2,444 million in 2010.

As at 31 December 2011, our Group has total cash resources (including the aggregate of cash and cash equivalents and restricted bank deposits) of RMB12,417 million and a current ratio of 2.0 times. Together with the unutilized credit facilities of about RMB26,720 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 2011	As at 31 December 2010	YoY (%)
Within 1 year	14,482	9,920	46%
1 to 2 years	6,779	11,062	-39%
2 to 5 years	10,001	6,184	62%
Over 5 years	2,325	2,030	15%
Total	33,587	29,196	15%

Business Review

Property Development

Recognised Sales

Revenue from property development business grew by 38% in 2011 and amounted to RMB17,618 million (2010: RMB12,798 million). Saleable GFA delivered increased by 21% from approximately 1,224,000 sq.m. in 2010 to approximately 1,481,000 sq.m. in 2011. Excluding car parks sales, the average selling price recognized in 2011 was about RMB12,500 per sq.m. (2010: RMB11,200 per sq.m.).

The following table presents the saleable GFA delivered and relevant information of each project in 2011:

Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognised (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Express	44	2,491	17,700	100%
	Ocean Great Harmony	382	12,299	31,100	100%
	Ocean Landscape	21	1,376	15,300	100%
	Ocean Landscape Eastern Area	3,044	136,127	22,400	100%
	Ocean Office Park	27	15,568	1,700	100%
	Ocean Seasons	125	18,771	6,700	70%
	POETRY OF RIVER	3,844	267,565	14,400	100%
Dalian	Ocean Prospect	391	25,535	15,300	100%
	Ocean Seasons	850	73,674	11,500	100%
	Ocean Worldview	1,997	137,445	14,500	100%
	Chanson Garden	27	7,729	3,500	100%
Qinhuangdao	Wan Hai Yi Hao	122	17,789	6,900	100%
Sanya	Ocean Mansion	614	28,836	21,300	70%
Shenyang	Ocean Paradise	1,535	174,650	8,800	100%
Tianjin	Ocean City	1,128	131,627	8,600	100%
	Ocean Express	1,110	104,812	10,600	97.05%
	Ocean Paradise	4	316	12,700	96.99%
Wuhan	Ocean Manor	79	9,457	8,400	55%
	Ocean World	179	34,602	5,200	55%
Zhongshan	Ocean City	1,614	169,928	9,500	100%
Subtotal		17,137	1,370,597	12,500	
Car parks (various projects)		481	110,464	4,400	
Total		**17,618**	**1,481,061**	**11,900**	

Contracted Sales

Contracted sales reached a record high in 2011 to RMB27,005 million, up by 25% compared to RMB21,603 million in 2010. Total GFA sold, including car parks, increased by 26% to about 2,096,000 sq.m. (2010: 1,660,000 sq.m.). Average selling price per sq.m. in 2011 was about RMB12,900 (2010: RMB13,000) (including car parks sale) and RMB13,400 (2010: RMB13,600) (excluding car parks sale). Outstanding contracted sales to be recognized in 2012 or later amounted to RMB29,809 million, increased by 46% compared to that as at the year end of 2010 (2010: RMB20,422 million), 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 2011:

Cities	**Projects**	**Contracted sales amount (RMB million)**	**Saleable GFA sold (sq.m.)**	**Average selling price (RMB/sq.m.)**	**Interest attributable to our Group (%)**
Beijing	Ocean Express	44	2,491	17,700	100%
	Ocean Great Harmony	2,688	73,350	36,600	100%
	Ocean LA VIE	1,374	20,350	67,500	85.72%
	Ocean Landscape	14	1,033	13,600	100%
	Ocean Landscape Eastern Area	611	47,849	12,800	100%
	Ocean Manor	1,061	50,824	20,900	100%
	Ocean Office Park	27	815	33,100	100%
	Ocean Oriental Mansion	467	28,684	16,300	100%
	Ocean Palace	248	9,787	25,300	100%
	POETRY OF RIVER	3,007	148,808	20,200	100%
Changchun	Ocean Cannes Town	435	64,558	6,700	51%
Chengdu	Ocean Langjun	527	65,356	8,100	51%
Chongqing	Sino-Ocean International Glof Resort	150	18,449	8,100	97.75%
Dalian	Ocean Plaza	2,359	176,302	13,400	75.5%
	Ocean Prospect	46	1,946	23,600	100%
	Ocean Seasons	199	10,992	18,100	100%
	Ocean TIMES	1,282	185,756	6,900	100%
	Ocean Holiday Manor	401	45,383	8,800	100%
	Ocean Worldview	2,034	176,138	11,500	100%
	Chanson Garden	8	2,287	3,300	100%
Hangzhou	Ocean Mansion	781	21,173	36,900	51%
	Grand Canal Milestone	87	3,222	27,000	70%
Haikou	Ocean Driftwood Array	76	4,123	18,400	70%
Huangshan	An Island Paradise	130	17,219	7,500	100%
Qingdao	Ocean Prospect	906	49,116	18,400	100%

Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Qinhuangdao	Ocean Century	550	85,399	6,400	100%
	Wan Hai Yi Hao	37	4,951	7,400	100%
Sanya	Ocean Mansion	426	17,312	24,600	70%
Shanghai	Ocean Mansion No. 7	163	10,328	15,800	100%
	BOND CASTLE	245	3,752	65,300	100%
Shenyang	Ocean Paradise	999	102,703	9,700	100%
	Ocean Residence	33	4,224	7,800	100%
Tianjin	Ocean City	766	89,674	8,500	100%
	Ocean Express	691	63,140	10,900	97.05%
	Ocean Great Harmony	405	34,308	11,800	100%
	Ocean Paradise	4	316	12,700	96.99%
	Ocean Prospect	656	65,998	9,900	100%
Wuhan	Ocean Manor	224	23,061	9,700	55%
	Ocean World	200	38,598	5,200	55%
Zhongshan	Ocean City	1,942	178,376	10,900	100%
	Ocean New Era	109	21,618	5,100	40%
Subtotal		26,412	1,969,769	13,400	
Carparks (various projects)		593	126,531	4,700	
Total		**27,005**	**2,096,300**	**12,900**	

Construction Progress and Developing Projects

Total GFA and total saleable GFA completed in 2011 were approximately 1,870,000 sq.m. and 1,621,000 sq.m., going up by 45% and 41% respectively compared to that in 2010. Meanwhile, we will maintain our construction scale in order to have enough GFA available for sale and for delivery to support our growth in 2012.

Landbank

In 2011, our Group acquired 9 new land plots with total GFA of approximately 4,220,000 sq.m. at an average acquisition price of about RMB2,900 per sq.m with attributable GFA of 2,900,000 sq.m.

Our Group's landbank increased by 16% to 23,989,000 sq.m. as at the year end of 2011 (2010: 20,608,000 sq.m.); while landbank with attributable interest increased by 11% to 20,647,000 sq.m. (2010: 18,588,000 sq.m.). The average land cost per sq.m. of our Group's landbank as at 31 December 2011 was approximately RMB3,029 (2010: RMB3,157).

Our Group's landbank as at 31 December 2011 was 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	80%
		CBD Plot Z13	120,000	108,000	120,000	29%
		INDIGO*	295,000	264,000	119,000	50%
		Ocean Crown	211,000	148,000	211,000	100%
		Ocean Great Harmony	353,000	314,000	102,000	100%
		Ocean LA VIE	304,000	200,000	304,000	85.72%
		Ocean Landscape Eastern Area	529,000	462,000	63,000	100%
		Ocean Landscape Eastern Area E02/03 Project	103,000	103,000	103,000	100%
		Ocean Manor	268,000	232,000	268,000	100%
		Ocean Oriental Mansion	175,000	150,000	175,000	100%
		Ocean Palace	433,000	385,000	433,000	100%
		Ocean Seasons	383,000	262,000	9,000	70%
		POETRY OF RIVER	790,000	695,000	336,000	100%
		The Place	102,000	85,000	102,000	100%

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	2,470,000	1,999,000	2,470,000	90%
		Ocean Holiday Manor	407,000	388,000	407,000	100%
		Ocean MIDTOWN	92,000	81,000	92,000	100%
		Ocean Plaza	293,000	275,000	293,000	75.5%
		Ocean Prospect	178,000	159,000	8,000	100%
		Ocean Seasons	138,000	116,000	40,000	100%
		Ocean TIMES	565,000	523,000	565,000	100%
		Ocean Worldview	1,983,000	1,772,000	1,552,000	100%
		Sino-Ocean Technopole	922,000	596,000	922,000	100%
		Wyndham Grand Plaza Royale Sino-Ocean	111,000	52,000	111,000	100%
		Xiaoyao Bay Project	219,000	175,000	219,000	100%
	Qingdao	Ocean Honored Chateau	136,000	108,000	136,000	100%
		Ocean Prospect	147,000	109,000	147,000	100%
		Ocean Seasons	147,000	111,000	147,000	100%
	Qinhuangdao	Ocean Century	1,413,000	1,337,000	1,413,000	100%
		Wan Hai Yi Hao	38,000	38,000	10,000	100%
	Tianjin	Ocean City	2,284,000	1,767,000	1,919,000	100%
		Ocean Express	337,000	288,000	88,000	97.05%
		Ocean Great Harmony	347,000	260,000	347,000	100%
		Ocean International Center	285,000	248,000	285,000	96.99%
		Ocean Prospect	317,000	261,000	317,000	100%

Region	Cities	Projects	Approximate total GFA (sq.m.)	Approximate total saleable GFA (sq.m.)	Remaining Landbank (sq.m.)	Interest attributable to our Group (%)
Northeast Region	Changchun	Ocean Cannes Town	1,162,000	1,079,000	1,162,000	51%
	Fushun	Ocean City	1,325,000	1,305,000	1,325,000	65%
	Shenyang	Ocean Paradise	717,000	684,000	316,000	100%
		Ocean Residence	181,000	163,000	181,000	100%
Yangtze River Delta & Along Yangtze River	Chengdu	Dacisi Project	258,000	166,000	258,000	50%
		Ocean Langjun	155,000	137,000	155,000	51%
	Chongqing	Sino-Ocean International Golf Resort	581,000	499,000	581,000	97.75%
	Hangzhou	Canal Business Center Project	865,000	480,000	865,000	51%
		Grand Canal Milestone	208,000	140,000	208,000	70%
		Pufu Project	171,000	107,000	171,000	63%
	Huangshan	An Island Paradise	90,000	89,000	90,000	100%
	Shanghai	BOND CASTLE	224,000	90,000	224,000	100%
		Ocean Mansion No.7	119,000	98,000	119,000	100%
		Ocean Chanson Mansion	374,000	328,000	374,000	100%
	Wuhan	Ocean Manor	78,000	72,000	67,000	55%
		Ocean World	455,000	410,000	418,000	55%
	Zhenjiang	Ocean Beach	913,000	776,000	913,000	55%
Pan-Pearl River Delta	Haikou	Ocean Driftwood Array	109,000	77,000	109,000	70%
	Sanya	Ocean Mansion	55,000	48,000	22,000	70%
		Tang Di Project	14,000	12,000	14,000	52.5%
	Shenzhen	Ocean Express	556,000	408,000	556,000	100%
	Zhongshan	Ocean City	1,965,000	1,829,000	1,288,000	100%
		Ocean New Era	495,000	479,000	495,000	40%
	Total		**28,210,000**	**23,737,000**	**23,989,000**	

* Inclusion of part of the leasable area of 52,000 sq.m. which has been classified as investment property.

The audited consolidated results of the Group for the year ended 31 December 2011 are as follows:

Consolidated Balance Statement

	Note	As at 31 December 2011 RMB'000	2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		225,472	214,895
Land use rights		9,477	9,723
Investment properties		5,462,375	4,988,572
Goodwill		630,383	705,572
Interests in jointly controlled entities		1,052,135	687,826
Interests in associates		606,013	397,458
Available-for-sale financial assets		244,727	433,886
Trade and other receivables	5	598,245	85,367
Deferred income tax assets		1,502,833	814,244
		10,331,660	8,337,543
Current assets			
Deposits for land use rights		8,188,492	18,825,060
Properties under development		65,470,147	41,393,331
Inventories, at cost		487,892	231,280
Land development cost recoverable		4,028,979	2,439,138
Completed properties held for sale		3,274,201	2,648,568
Available-for-sale financial assets		196,200	181,663
Other investment		15,580	43,707
Financial assets at fair value through profit or loss		412,486	29,101
Trade and other receivables	5	5,463,192	3,566,474
Restricted bank deposits		3,768,822	1,057,378
Cash and cash equivalents		8,647,794	13,977,211
		99,953,785	84,392,911
Total assets		110,285,445	92,730,454

	Note	As at 31 December 2011 RMB'000	2010 RMB'000
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital and premium		20,231,084	20,121,412
Shares held for Restricted Share Award Scheme		(131,959)	(95,986)
Reserves		169,548	(226,865)
Retained earnings			
– Proposed final dividend	12	462,059	379,758
– Others		6,035,547	4,922,121
		26,766,279	25,100,440
Convertible securities		5,969,279	5,970,266
Capital securities		2,532,866	—
		35,268,424	31,070,706
Non-controlling interests		3,488,740	2,055,098
Total equity		38,757,164	33,125,804
LIABILITIES			
Non-current liabilities			
Borrowings		19,105,661	19,276,159
Deferred income tax liabilities		1,386,739	1,351,372
		20,492,400	20,627,531
Current liabilities			
Borrowings		14,481,805	9,920,123
Trade and other payables	6	10,174,821	10,831,635
Advances from customers		22,870,209	16,234,852
Income tax payable		3,509,046	1,990,509
		51,035,881	38,977,119
Total liabilities		71,528,281	59,604,650
Total equity and liabilities		110,285,445	92,730,454
Net current assets		48,917,904	45,415,792
Total assets less current liabilities		59,249,564	53,753,335

Consolidated Income Statement

	Note	Year ended 31 December 2011 RMB'000	2010 RMB'000
Revenue	4	19,896,946	13,720,665
Cost of sales		(13,639,195)	(9,596,016)
Gross profit		6,257,751	4,124,649
Interest and other income		224,992	239,957
Other gains - net	8	128,258	187,958
Fair value gains on investment properties		512,778	567,350
Selling and marketing costs		(776,087)	(441,019)
Administrative expenses		(820,250)	(457,233)
Operating profit		5,527,442	4,221,662
Finance costs	9	(419,436)	(287,356)
Share of gains/(losses) of jointly controlled entities		68,911	(8,859)
Share of losses of associates		(2,571)	(72,004)
Profit before income tax		5,174,346	3,853,443
Income tax expense	10	(2,553,548)	(1,414,620)
Profit for the year		2,620,798	2,438,823
Attributable to:			
Owners of the Company		2,570,657	2,444,076
Non-controlling interests		50,141	(5,253)
		2,620,798	2,438,823
Earnings per share attributable to owners of the company during the year (expressed in RMB)			
Basic earnings per share	11	0.352	0.398
Diluted earnings per share	11	0.351	0.397

Consolidated Statement of Comprehensive Income

		Year ended 31 December	
		2011	**2010**
	Note	**RMB'000**	**RMB'000**
Profit for the year		2,620,798	2,438,823
Other comprehensive income			
Fair value losses on available-for-sale financial assets		(38,183)	(38,421)
Reserves realized upon disposal of available-for-sale investments		(18,279)	80,089
Currency translation differences		(13,906)	(20,520)
Other comprehensive income for the year		(70,368)	21,148
Total comprehensive income for the year		2,550,430	2,459,971
Total comprehensive income attributable to:			
– Owners of the company		2,500,289	2,465,224
– Non-controlling interests		50,141	(5,253)
		2,550,430	2,459,971

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 15 March 2012.

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 2011 that would have a material impact on the Group.

- HKAS 24 (Revised), 'Related Party Disclosures', is effective for annual period beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government.

- HKFRS 7, 'Financial instruments: Disclosures', is effective for annual period beginning on or after 1 January 2011.

(b) *New and amended standards, and interpretations mandatory for the financial year beginning 1 January 2011 but not currently relevant to the Group (although they may effect the accounting for future transactions and events)*

- HKFRS 3, 'Business combinations', is effective on or after 1 July 2010.

(c) *New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted*

The Group's assessment of the impact of these new and amended standards is set out below.

- HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities.

- 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.

- HKFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles 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.

- HKAS 12, 'Deferred tax: Recovery of underlying assets', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale.

There are no other HKFRSs or IFRIC/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 year ended 31 December 2011 and 2010 is as follows:

	Property development				Investment	All other		Inter-Company	
	Beijing	Tianjin	North-east	Others	property	segments	Total	elimination	Group total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2011									
Total revenue	7,823,397	2,253,284	4,962,671	2,708,583	344,101	4,569,410	22,661,446	—	22,661,446
Inter-segment revenue	(129,860)	—	—	—	(4,039)	(2,630,601)	(2,764,500)	—	(2,764,500)
Revenue (from external customers)	7,693,537	2,253,284	4,962,671	2,708,583	340,062	1,938,809	19,896,946	—	19,896,946
Segment operating profit	3,189,170	440,591	1,520,132	947,392	272,670	361,476	6,731,431	(1,382,063)	5,349,368
Depreciation and amortization	(918)	(1,683)	(7,039)	(8,224)	(814)	(30,290)	(48,968)	—	(48,968)
Goodwill disposed for sales of properties	—	(7,140)	—	(68,049)	—	—	(75,189)	—	(75,189)
Income tax expense	(1,310,489)	(189,201)	(512,114)	(304,818)	(48,558)	(188,368)	(2,553,548)	—	(2,553,548)
Finance income	123,930	92,295	279,452	107,248	30,895	81,995	715,815	(691,482)	24,333
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	(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

	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 2011									
Total segment assets	36,627,577	11,357,343	35,575,631	34,987,901	6,187,329	28,146,919	152,882,700	(51,185,920)	101,696,780
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,422	2,594	3,903	11,344	564	54,251	74,078	—	74,078
Total segment liabilities	14,852,035	4,515,462	11,476,473	16,217,060	1,037,273	22,586,169	70,684,472	(34,325,534)	36,358,938
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

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

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Segment operating profit	5,349,368	3,965,978
Corporate finance income	38,097	72,687
Corporate overheads	(372,801)	(384,353)
Finance costs	(419,436)	(287,356)
Fair value gain on investment properties	512,778	567,350
Share of gains / (losses) of jointly controlled entities	68,911	(8,859)
Share of loss of associates	(2,571)	(72,004)
Profit before income tax	5,174,346	3,853,443

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

	As at 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Total segment assets	101,696,780	79,792,337
Corporate cash and cash equivalents	4,558,691	10,350,232
Investment in jointly controlled entities	1,052,135	687,826
Investment in associates	606,013	397,458
Available-for-sale financial assets	440,927	615,549
Other investment	15,580	43,707
Financial assets at fair value through profit or loss	412,486	29,101
Deferred income tax assets	1,502,833	814,244
Total assets per consolidated balance sheet	110,285,445	92,730,454
Total segment liabilities	36,358,938	28,852,979
Deferred income tax liabilities	1,386,739	1,351,372
Current borrowings	14,481,805	9,920,123
Non-current borrowings	19,105,661	19,276,159
Distribution payable	195,138	204,017
Total liabilities per consolidated balance sheet	71,528,281	59,604,650

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 2011 and 2010.

As at 31 December 2011, the total of non-current assets other than financial instruments and deferred tax assets located in the PRC is RMB7,859,984,000 (2010: RMB6,873,008,000), and the total of these non-current assets located in Hong Kong is RMB125,871,000 (2010: RMB131,038,000).

For the year ended 31 December 2011 and 2010, the Group does not have any single significant customer with the transaction value above 10% of the external sales.

5 Trade and other receivables

	As at 31 December	
	2011	2010
	RMB'000	RMB'000
Trade receivables	84,774	71,562
Amounts due from customers for contract work	842,604	33,392
Less: provision for impairment of receivables	(31,749)	(6,051)
Trade receivables - net (a)	895,629	98,903
Prepayments for acquisition	51,790	51,000
Tax prepayments for advances from customers	2,298,024	1,454,750
Entrusted loan to third parties	475,000	427,000
Entrusted loan to a jointly controlled entity	25,000	—
Entrusted loan to an associate	365,771	337,239
Notes receivables	46,147	202,543
Receivable from disposals of subsidiaries	50,199	199,828
Amounts due from jointly controlled entities	624,756	285,356
Amounts due from an associate	113,453	—
Amounts due from non-controlling interests	112,127	—
Cooperation deposits	127,350	—
Other prepayments	383,907	173,157
Other receivables	492,284	422,065
	6,061,437	3,651,841
Less: non-current portion	(598,245)	(85,367)
Current portion	5,463,192	3,566,474

The carrying amounts of trade and other receivables approximated to their respective fair values as at 31 December 2011 and 2010.

(a) Trade receivables

Ageing analysis of trade receivables and amounts due from customers for contract work at the respective balance sheet dates is as follows:

	As at 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Within 6 months	872,704	71,230
Between 6 months to 1 year	35,770	19,544
Between 1 year to 2 years	15,080	5,697
Between 2 years to 3 years	1,593	3,294
Over 3 years	2,231	5,189
	927,378	104,954

(i) As at 31 December 2011, trade receivables of RMB13,937,000 (2010: RMB5,894,000) were past due but not impaired. These related to a number of independent customers from upfitting services, for whom there is no significant financial difficulty and no recent history of default. Based on past experience, the overdue amounts can be recovered. All of these receivables are aged for less than one year.

(ii) As at 31 December 2011, trade receivables of RMB32,169,000 (2010: RMB8,286,000) were impaired. The amount of the provision was RMB31,749,000 as at 31 December 2011 (2010: RMB6,051,000).The individually impaired receivables mainly relate to receivables of property management fees and construction service. It was assessed that a portion of the receivables is expected to be recovered.

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

	As at 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
At 1 January	(6,051)	(5,388)
Provision for receivable impairment	(28,469)	(663)
Unused amounts reversed	2,771	—
At 31 December	(31,749)	(6,051)

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

6 Trade and other payables

	As at 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Trade payables	5,687,484	3,612,571
Accrued expenses	1,699,263	597,312
Distribution payable	195,138	204,017
Advances received from a shareholder	—	1,724,493
Considerations received in respect of partial disposal of equity interests in subsidiaries	—	1,300,000
Amounts due to non-controlling interests	503,828	—
Consideration payable	120,000	455,800
Other taxes payable	442,628	451,607
Provision for financial guarantee liabilities	64,134	58,989
Other payables	1,462,346	2,426,846
	10,174,821	10,831,635

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

Ageing analysis of the trade payables is as follows:

	As at 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Within 6 months	4,621,569	2,802,237
Between 6 months to 12 months	635,849	530,425
Between 1 year to 2 years	383,132	233,748
Between 2 years to 3 years	25,339	30,860
Over 3 years	21,595	15,301
	5,687,484	3,612,571

7 Expenses by nature

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

	Year ended 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Cost of properties and land use rights sold:		
- Land use rights	1,225,321	1,127,017
- Capitalized interest	679,579	252,252
- Construction related cost	8,580,960	6,884,007
Cost of upfitting services rendered	1,322,546	174,289
Direct investment property expenses	84,082	99,408
Employee benefit expense	467,753	363,863
Consultancy fee	154,308	102,551
Auditor's remuneration	15,250	10,650
Depreciation	48,722	31,428
Amortization of land use rights	246	527
Advertising and marketing	706,619	388,543
Business taxes and other levies	1,170,680	763,229
Impairment loss	397,824	663
Office expenditure	96,532	85,151
Properties maintenance expenses	124,178	86,526
Energy expenses	57,692	41,943
Others	103,240	82,221
	15,235,532	10,494,268

8 Other gains - net

	Year ended 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Gain on disposal of available-for-sale financial assets	18,279	—
(Loss)/gain on disposal of subsidiaries, net	(1,910)	297,048
De-recognition of derivative financial instrument	—	(8,331)
Fair value (loss)/gain of other investment	(118)	1,165
Gain/(loss) on revaluation of financial assets at fair value through profit or loss	6,670	(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
(Loss)/gain on disposal of property, plant and equipment	(404)	179
Exchange gain/(loss)	120,706	(103,463)
Other losses	(14,965)	—
	128,258	187,958

9 Finance costs

	Year ended 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Interest expense:		
- Bank borrowings	1,269,986	1,143,434
- Other borrowings	970,161	342,423
Less: interest capitalized at a capitalization rate of 6.67% (2010: 5.35%) per annum	(1,820,711)	(1,198,501)
	419,436	287,356

10 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 2011 and 2010. 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	
	2011	**2010**
	RMB'000	**RMB'000**
Current income tax:		
- PRC enterprise income tax	2,099,207	1,442,655
- PRC land appreciation tax	1,107,563	403,149
Deferred income tax	(653,222)	(431,184)
	2,553,548	1,414,620

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	
	2011	**2010**
	RMB'000	**RMB'000**
Profit before income tax	5,174,346	3,853,443
Add: Share of (gains)/losses of jointly controlled entities	(68,911)	8,859
Share of losses of associates	2,571	72,004
	5,108,006	3,934,306
Tax calculated at a tax rate of 25%	1,277,002	983,577
Effect of higher tax rate for the appreciation of land in the PRC	830,672	302,362
Income not subject to tax	(21,544)	(17,219)
Expenses not deductible for tax purposes	415,361	124,297
Tax losses not recognized	59,064	48,386
Utilization of previously unrecognized tax losses	(7,007)	(26,783)
Tax expense	2,553,548	1,414,620

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	
	2011	**2010**
Profit attributable to owners of the Company (RMB'000)	2,570,657	2,444,076
Distribution relating to convertible and capital securities (RMB'000)	(590,747)	(204,017)
Profit used to determine basic earnings per share (RMB'000)	1,979,910	2,240,059
Weighted average number of ordinary shares in issue (thousands)	5,622,327	5,632,962
Basic earnings per share (RMB per share)	0.352	0.398

(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 and capital 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	
	2011	**2010**
Profit attributable to owners of the company (RMB'000)	2,570,657	2,444,076
Distribution relating to convertible and capital securities (RMB'000)	(590,747)	(204,017)
Profit used to determine diluted earnings per share (RMB'000)	1,979,910	2,240,059
Weighted average number of ordinary shares in issue (thousands)	5,622,327	5,632,962
Adjustment for:		
– share options (thousands)	10,550	15,982
Weighted average number of ordinary shares for diluted earnings per share (thousands)	5,632,877	5,648,944
Diluted earnings per share (RMB per share)	0.351	0.397

12 Dividends

	Year ended 31 December	
	2011	**2010**
	RMB'000	**RMB'000**
Interim dividend paid	232,173	246,850
Final dividend proposed (a)	462,059	379,758

(a) On 15 March 2012, the Company proposed a final dividend of RMB462,059,000.

13 Event after the balance sheet date

On 6 January 2012, Neo Origin Limited ("Neo Origin") and Sino-Ocean Land Limited ("SOL"), subsidiaries of the Company, entered into a Subscription Agreement with Swire Properties (Chengdu) Limited ("Swire Chengdu"), Swire Properties Limited ("Swire") and Great City China Holdings Limited ("the Joint Venture"), within which Swire Chengdu has agreed to provide funding in the total sum of USD230,000,000 to the Joint Venture, and the Joint Venture has agreed to allot new shares to Swire Chengdu and Neo Origin.

At the same time, a Call Option has been granted to Neo Origin and the Put Option has been granted to Swire Chengdu, where SOL and Swire will, among other things, guarantee the performance by Neo Origin and Swire Chengdu, respectively, of all of its obligations, subject to the terms and conditions under the Subscription Agreement. Pursuant to the Subscription Agreement, Neo Origin can buy back from Swire Chengdu, all of the Option Shares, as well as 50% of the funding provided. Such provision of funding and the allotment of shares are completed on 9 January 2012.

FINAL DIVIDEND

The Board proposed to recommend at the forthcoming annual general meeting to be held on 11 May 2012 the payment of a final dividend of HKD0.10 per ordinary share for the year ended 31 December 2011. 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 annual general meeting 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, 17 May 2012. 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 (the "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, 17 May 2012.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on 11 May 2012. 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 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 Tuesday, 8 May 2012 to Friday, 11 May 2012 (both dates inclusive), during which period, 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 Monday, 7 May 2012.

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

During the year under review, the Company repurchased a total of 14,300,000 ordinary shares of the Company at an average purchase price of approximately HKD3.40 per share on the Stock Exchange. Details of the repurchases of such ordinary shares were as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per ordinary share Highest	Lowest	Aggregate purchase price
		HKD	*HKD*	*HKD*
June 2011	7,000,000	3.65	3.57	25,407,725
August 2011	4,000,000	3.39	3.34	13,460,138
September 2011	3,300,000	3.00	2.87	9,748,770
	14,300,000			48,616,633
		Expenses on share repurchased		90,706
				48,707,339

The total of 14,300,000 repurchased ordinary shares were cancelled during the year under review and the issued share capital of the Company was reduced by the par value thereof. The above repurchases were effected by the Board, pursuant to the mandate granted by shareholders in the Company's Annual General Meeting held on 12 May 2011, with a view to benefit shareholders as a whole in enhancing the net assets value and the earnings per share of the Company.

Save as disclosed above and those disclosed in the 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 an incentive to retain and encourage the employees of the Group for the continual operation and development of the Group, the Board resolved to adopt the restricted share award scheme (the "Award Scheme") on 22 March 2010 (the "Adoption Date"). During the year under review, the trustee has acquired 12,174,318 shares, through purchase from the market and receiving scrip dividend, at an aggregate consideration of HKD45 million (including transaction costs) approximately. As at 31 December 2011, the trustee held a total of 33,702,318 shares of the Company, representing 0.60 % of the issued share capital of the Company as at the Adoption Date. During the year under review and since the Adoption Date, a total of 16,991,200 shares of the Company have been awarded to the directors and employees of the Group at no consideration, and none of them was vested.

CORPORATE GOVERNANCE

During the year ended 31 December 2011, 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 the role of the chairman (the "Chairman") and that of the chief executive officer (the "Chief Executive Officer") of the Company 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. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. There are four independent non-executive directors and three non-executive directors in the Board. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilities the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangements as appropriate.

Further information of the Company's corporate governance practices will be set out in the Corporate Governance Report of the Company's 2011 Annual Report which will be sent to the shareholders on or about 30 March 2012.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to ensure compliance with certain amendments to the Listing Rules, and to bring the articles of association (the "Articles of Association") of the Company up to date and in line with the current situation of the Company, the Board proposes to make certain amendments to the Articles of Association.

The proposed amendments to the Articles of Association are subject to the approval of shareholders of the Company by way of special resolution at the AGM.

A circular contains, among other things, details of the proposed amendments to the Articles of Association will be despatched to the shareholders on or about 30 March 2012.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2011. 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 2011.

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 that of the Company (www.sinooceanland.com). The annual report for the year ended 31 December 2011 will be despatched to the shareholders on or about 30 March 2012 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 take this opportunity to express my sincerest gratitude to our shareholders, investors, local government 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
Sino-Ocean Land Holdings Limited
LI Ming
Executive Director

Hong Kong, 15 March 2012

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. YANG Zheng	Mr. GU Yunchang
Mr. CHEN Runfu	Mr. CHEUNG Vincent Sai Sing	Mr. HAN Xiaojing
		Mr. ZHAO Kang