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 2014

FINANCIAL HIGHLIGHTS

- Total contracted sales amounted to a record high of RMB40,142 million, representing an increase of 12%.
- Revenue increased by 25% to RMB38,896 million.
- Operating profit (excluding fair value gains on investment properties) increased by 4% to RMB6,798 million.
- Profit attributable to owners of the Company amounted to RMB4,597 million, representing an increase of 13%. Core profit amounted to RMB3,566 million, representing an increase of 17%.
- Basic earnings per share was RMB0.590.
- Total cash resources amounted to RMB16,336 million. The net gearing ratio remained stable at 66%.
- Total assets amounted to approximately RMB132,212 million, and equity attributable to owners of the Company (including capital securities) amounted to RMB43,024 million.
- The Board proposed a final dividend of HKD0.165 per share, representing an increase of 3%. Together with the interim dividend of HKD0.075 per share, total dividends declared for the year were HKD0.240 per share.

The Board of Directors (the “Board”) of Sino-Ocean Land Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (“our Group” or “We”) for the year ended 31 December 2014.

For the twelve months ended 31 December 2014, our Group recorded RMB38,896 million in revenue, an increase of 25% compared to the previous year. Profit attributable to owners of the Company and core profit reached RMB4,597 million and RMB3,566 million, rising 13% and 17% respectively, and earnings per share was RMB0.590.

Based on the profit attributable to owners of the Company in 2014, the Board is pleased to propose a final dividend of HKD0.165 per share for the year ended 31 December 2014. Together with the interim dividend of HKD0.075 per share, total dividend per share for 2014 was HKD0.24 (2013: HKD0.23), representing a dividend payout ratio of 31% (2013: 31%). The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the 2014 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 2014 final dividend at the Company’s annual general meeting (the “AGM”) and the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of the listing of, and permission to deal in, the new shares to be issued pursuant thereto.

MARKET REVIEW AND PROSPECT

2014 was a watershed for China’s real estate industry development. The industry underwent some serious adjustments. On the one hand, inventory level was high causing a significant imbalance in supply and demand. It was taking longer time to dispose of commodity housing units in most of the cities nationwide. Data from the National Bureau of Statistics of China showed that saleable areas of property market in China as at the end of 2014 amounted to a record high of about 600 million sq.m., a growth of 26.1% year-on-year. Meanwhile, as many companies lowered price to shift stock so as to attain business targets, the average selling price of commodity housing dropped in various extent.

On the other hand, the industry moved from being highly regulated by administrative measures to being more market-led. Most cities in the country abolished restrictions on property purchase. Along with the People’s Bank of China’s relaxation on loans and lowering of interest rates, some cities launched “stimulus” measures including restructuring borrowings from provident funds, giving allowance for buying properties and concessions on stamp duty. These measures hugely boosted market sentiments within a short time and as a result transactions towards the end of the year were looking up. Besides, market differentiation among cities intensified and policies became more flexible in each region.

This round of industry adjustment was caused by the structural imbalance of supply and demand. Transactions plunged at the beginning of 2014 and put considerable pressure on the price. In the second half of the year, however, policies began to change, “stimulus” measures were stepped up and companies came up with innovative sales and management strategies. Transactions in the entire year dipped at first but climbed towards the end. Nevertheless, the performance of many companies fell below target and market concentration of the industry intensified further.

Under the pressure of lower prices, sales below target and high inventory, companies hold back investment and became more cautious in land acquisition. In 2014, the country's total aggregated investment in property development was RMB9,503.6 billion, a nominal increase of 10.5% year-on-year basis but growth rate was declined by 9.3% year-on-year basis, which is the lowest in recent five years. Total aggregated area of new construction work was 1.796 billion sq.m., a fall of 10.7% year-on-year. Total area of new construction work for residential housing was 1.249 billion sq.m., dropping of 14.4% year-on-year basis.

At the beginning of 2014, the land market could still carry the heat from the very active transactions at the end of the previous year. It gradually cooled off and then some first and second-tier cities began to pick up slightly towards the year end. According to the National Bureau of Statistics of China, total aggregated land acquisition in the year was 334 million sq.m., 14% less than the year before. At the same time, total aggregated amount on land acquisition reached RMB1,002 billion, 1% higher than the year before. Smaller number of total area with higher land price indicated that more high quality plots in core districts were put on the market and developers were acquiring land again in first and second-tier cities.

Under the new economic environment in 2015, the "prime era" of China's real estate industry has come to an end — audacity, high yield and high growth will gradually give way to steady and rational growth, entering the "silver era" and "professional prime era". Meanwhile, "vendor's market" is switching to "buyer's market" — over supply is putting pressure on the profit margin. Companies are not competing in scale, speed and resources but in product, service, cost and efficiency.

Our Group is of the opinion that the industry will still enjoy steady growth in the next 10 years. Firstly, real estate industry being the supporting pillar in national economic development, the stable development of which helps promote the steady growth of the macro economy and alleviate the downside risk. Secondly, China's medium to high economic growth and continuing urbanization provide the demand to sustain the industry's development. Furthermore, with years of development in the real estate industry, much demand for basic properties has been satisfied. Demand for higher quality housing is gradually becoming the mainstream demands. This drives the growth of a new round of investment in real estate industry. We take the view that the simpler administration of the macro measures, the more market-oriented management, the land reforms and household registration reforms are all beneficial to the healthy development of the industry.

In 2015, credit in general is easing. Liquidity indicators such as mortgages, development loans and interest rates will improve, benefitting the industry directly or indirectly. Re-balance the stock will still be the focus in the first half of 2015 and prices will bottom out but differentiation among cities will be accentuated. We think that prices in first tier cities in 2015 will remain stable or rise slightly. There will be room for price rise in some second and third tier cities where the consumption cycle is slower and there is no over supply. For some other second and third tier cities where supply exceeds demand and inventory is unreasonably high, prices will continue to be suppressed in order to stimulate sale.

There is a consensus in the industry that changes and reforms are the way forward. On one hand, as profits from conventional housing development will continue to be squeezed, developers will explore various product mix based on their own specialties to expand business base and profit channels. On other hand, as technology evolves rapidly, cooperation between the real estate industry and the Internet will accelerate, especially in the areas of promoting sales and branding.

FINANCIAL REVIEW

Our Group's revenue in 2014 grew by 25% to RMB38,896 million, from RMB31,099 million in 2013. The increase in revenue was mainly attributable to the growth in property development business.

(RMB million)	**2014**	**2013**	**Change (%)**
Property development	**35,243**	28,146	25%
Property investment	**679**	550	23%
Property management	**729**	591	23%
Other real estate related businesses (including upfitting and decoration business)	**2,245**	1,812	24%
Total	**38,896**	31,099	25%

Beijing as our home base accounted for about 28% of our Group's total revenue in 2014 (2013: 31%) and amounted to RMB11,057 million (2013: RMB9,526 million). The decline in proportion was mainly due to higher contribution of revenue and GFA delivered from areas outside Beijing in 2014. There were strong contributions from the other major cities including Dalian, Tianjin, Shanghai, Hangzhou and Zhongshan, with total revenue of RMB19,351 million in 2014, accounting for about 50% of the total revenue.

The cost of property development, mainly comprising of land cost and construction cost, accounted for 89% of our Group's total cost of sales during 2014 (2013: 89%). Excluding car parks, average land cost per sq.m. of the property development business in 2014 increased to approximately RMB3,600 compared to RMB2,700 in 2013 which was due to more properties delivered from the newly acquired projects during the year. Average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB4,900 per sq.m. for the year, decreased compared to RMB5,200 per sq.m. in 2013.

Gross profit for the year was RMB8,167 million, representing an increase of 8% compared to the 2013. Gross profit margin decreased to 21% (2013: 24%). The decrease in gross profit margin was primarily due to more delivery of those relatively low gross profit margin projects during the year, such as Ocean Century (Qinhuangdao), Ocean City (Fushun), Ocean Chanson Mansion (Shanghai), and Grand Canal Milestone (Hangzhou), etc. Our Group has stripped off these captioned projects at year end.

Other income increased by 3% to RMB386 million in 2014 compared to RMB376 million in 2013. Such increase was mainly due to the increase in the overall interest income received. Our Group recorded other gains (net) of RMB103 million (2013: RMB102 million). Other gains (net) mainly comprised the gains on disposal and revaluation gains of several financial assets during the year.

Our Group recognized an increase in fair value on its investment properties (before tax and non-controlling interests) of RMB591 million for 2014 (2013: RMB808 million).

Selling and marketing expenses for 2014 increased slightly to RMB846 million (2013: RMB785 million). These costs accounted for only approximately 2.1% of the total contracted sales amount for 2014 (2013: 2.2%).

Administrative expenses incurred for 2014 increased to RMB1,012 million (2013: RMB675 million), which represented 2.6% of total revenue for 2014 (2013: 2.2%). We will continue to adopt strict cost control measures to maintain these cost at a relatively stable and lower level.

Our weighted average interest rate decreased to 7.08% in 2014 (2013: 7.33%), while total interest expenses paid or accrued to RMB3,164 million (2013: RMB2,585 million) of which RMB469 million (2013: RMB364 million) was not capitalized and charged through consolidated income statement.

The aggregate of enterprise income tax and deferred tax increased by 12% to RMB2,119 million in 2014 (2013: RMB1,900 million), with effective tax rate of 32% (2013: 29%). In addition, land appreciation tax in 2014 decreased to RMB630 million (2013: RMB780 million), accounting for 8% of gross profit in 2014 (2013: 10%).

Profit attributable to owners of the Company increased by 13% to RMB4,597 million in 2014, compared to RMB4,075 million in 2013. Core profit, excluding one-off items and fair value gains on investment properties, amounted to RMB3,566 million, an increase of 17% compared to RMB3,036 million in 2013.

As at 31 December 2014, our Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB16,336 million and a current ratio of 1.9 times. Together with unutilized credit facilities of about RMB51,580 million, our Group is ensured to be financially sound.

Our Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was around 66% (2013: around 44%).

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

(RMB million)	**As at 31 December 2014**	**As at 31 December 2013**	**Change (%)**
Within 1 year	**11,167**	12,839	-13%
1 to 2 years	**9,117**	7,039	30%
2 to 5 years	**20,585**	12,031	71%
Over 5 years	**4,735**	3,386	40%
Total	**45,604**	35,295	29%

BUSINESS REVIEW

Property development

Recognized sales

Revenue from property development business grew by 25% in 2014 and amounted to RMB35,243 million (2013: RMB28,146 million). Saleable GFA delivered increased by 22% from approximately 2,445,000 sq.m. in 2013 to approximately 2,978,000 sq.m. in 2014. Excluding car parks sales, the average selling price recognized in 2014 was about RMB12,400 per sq.m. (2013: RMB12,200 per sq.m.).

Revenue and saleable GFA delivered from each project during 2014 are set out below:

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	3,355	65,860	50,900	100%
		Ocean Great Harmony	64	1,244	51,400	100%
		Ocean LA VIE	695	10,826	64,200	85.72%
		Ocean Landscape Eastern Area	865	30,382	28,500	100%
		Ocean Manor	514	26,722	19,200	100%
		Ocean Oriental Mansion	82	3,547	23,100	100%
		Ocean Palace	989	32,900	30,100	100%
		POETRY OF RIVER	1,177	111,390	10,600	100%
		The Place	16	779	20,500	100%
	Tianjin	Ocean City	1,465	181,605	8,100	100%
		Ocean Express	131	17,539	7,500	100%
		Ocean Great Harmony	400	31,472	12,700	100%
		Ocean International Center	37	2,338	15,800	100%
		Ocean Prospect	1,686	146,671	11,500	100%
	Qinhuangdao	Ocean Century*	3,160	584,995	5,400	100%
			14,636	**1,248,270**	**11,700**	
Northeast Region	Dalian	Ocean Diamond Bay	4,412	304,480	14,500	100%
		Ocean Holiday Manor*	341	57,964	5,900	100%
		Ocean Plaza	23	1,717	13,400	100%
		Ocean Prospect	3	203	14,800	100%
		Ocean Seasons	18	1,067	16,900	100%
		Ocean TIMES*	219	38,174	5,700	100%
		Ocean Worldview	2,399	269,059	8,900	100%
	Shenyang	Ocean Paradise	289	39,733	7,300	100%
		Ocean Residence	266	37,563	7,100	100%
	Changchun	Ocean Cannes Town	515	56,149	9,200	100%
	Fushun	Ocean City*	64	15,750	4,100	65%
			8,549	**821,859**	**10,400**	

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Central Region	Shanghai	Ocean Chanson Mansion*	1,772	90,937	19,500	100%
		Ocean Mansion No. 7	82	4,946	16,600	100%
	Hangzhou	Ocean In Your Heart	1,834	100,070	18,300	100%
		Ocean Mansion	305	10,025	30,400	100%
		Grand Canal Milestone*	2,090	74,765	28,000	70%
	Huangshan	An Island Paradise	69	7,200	9,600	100%
	Zhenjiang	Ocean Beach*	242	36,013	6,700	55%
	Qingdao	Ocean Prospect	59	2,731	21,600	100%
		Ocean Seasons	1,570	110,874	14,200	100%
	Wuhan	Ocean Manor	79	5,600	14,100	55%
		Ocean World	4	657	6,100	55%
			8,106	**443,818**	**18,300**	
Southern Region	Zhongshan	Ocean City	777	45,059	17,200	100%
		Ocean New Era	566	104,002	5,400	100%
	Shenzhen	Ocean Express	1,386	79,393	17,500	84.70%
	Haikou	Ocean Zen House	109	8,699	12,500	70%
	Sanya	Ocean Mansion	4	162	24,700	70%
	Chongqing	Sino-Ocean International GOLF Resort	55	7,466	7,400	87.25%
			2,897	**244,781**	**11,800**	
Subtotal			34,188	2,758,728	12,400	
Car parks (various projects)			1,055	218,932	4,800	
Total			**35,243**	**2,977,660**	**11,800**	

* The Project was sold on 31 December 2014

Contracted sales

Our contracted sales in 2014 amounted to a record high of RMB40,142 million, representing an approximately 12% increase compared to RMB35,818 million in 2013. The increase was mainly due to the increase in the saleable GFA sold. During the year, there were also more contributions from the first and second-tier cities. The average selling price (excluding car parks) increased by 4% to RMB14,600 per sq.m. (2013: RMB14,100 per sq.m.). The average selling price (including car parks) remained stable at RMB13,700 per sq.m. (2013: RMB13,700 per sq.m.).

The contracted sales amounts and saleable GFA sold by projects in 2014 are set out below:

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	2,039	33,400	61,000	100%
		Ocean Great Harmony	64	1,200	53,300	100%
		Ocean LA VIE	3,012	41,800	72,100	85.72%
		Ocean Manor	879	40,600	21,700	100%
		Ocean Palace	2,642	84,300	31,300	100%
		POETRY OF RIVER	1,158	111,800	10,400	100%
		CBD Plot Z6	1,718	25,300	67,900	100%
		Ocean Landscape Eastern Areas	679	21,600	31,400	100%
		Ocean Melody	1,504	33,300	45,200	100%
	Tianjin	Ocean City	1,282	142,000	9,000	100%
		Ocean Express	126	19,100	6,600	100%
		Ocean Great Harmony	998	80,100	12,500	100%
		Ocean Prospect	552	47,400	11,600	100%
		Royal River	305	40,000	7,600	100%
	Qinhuangdao	Ocean Century*	1,000	159,800	6,300	100%
			17,958	**881,700**	**20,400**	
Northeast Region	Dalian	Ocean Diamond Bay	2,091	135,300	15,500	100%
		Ocean Holiday Manor*	371	52,200	7,100	100%
		Ocean Seasons	12	800	15,000	100%
		Ocean TIMES*	207	37,100	5,600	100%
		Ocean Worldview	1,781	206,800	8,600	100%
		The Place of Glory	1,643	160,700	10,200	100%
	Shenyang	Ocean Paradise	26	2,900	9,000	100%
		Ocean Residence	253	38,900	6,500	100%
	Changchun	Ocean Cannes Town	803	93,800	8,600	100%
	Fushun	Ocean City*	593	105,700	5,600	65%
			7,780	**834,200**	**9,300**	

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Central Region	Shanghai	Ocean Chanson Mansion*	2,248	112,700	19,900	100%
		Ocean Mansion No.7	178	15,600	11,400	100%
		Ocean Fortune Center	234	5,500	42,500	100%
		Dreaming Land*	407	11,300	36,000	100%
	Hangzhou	Canal Business Center Project	327	19,600	16,700	100%
		Grand Canal Milestone*	1,204	42,900	28,100	70%
		Ocean In Your Heart	399	16,700	23,900	100%
		Ocean Mansion	1,381	38,500	35,900	100%
	Huangshan	An Island Paradise	97	10,000	9,700	100%
	Zhenjiang	Ocean Beach*	401	66,400	6,000	55%
	Qingdao	Ocean Prospect	55	2,600	21,200	100%
		Ocean Seasons	226	28,200	8,000	100%
	Wuhan	Ocean Manor	70	4,600	15,200	55%
		Hejiadun Project	638	66,400	9,600	38%
		Ocean World	270	46,700	5,800	55%
			8,135	**487,700**	**16,700**	
Southern Region	Zhongshan	Ocean City	2,037	189,000	10,800	100%
		Ocean New Era	459	75,900	6,000	100%
		Ocean Aromas	114	11,300	10,100	51%
		Ocean Bloom	29	3,200	9,100	51%
		Ocean Emerald	107	21,600	5,000	61%
	Shenzhen	Ocean Express	1,363	70,300	19,400	84.70%
	Haikou	Ocean Zen House	221	16,300	13,600	70%
	Chongqing	Sino-Ocean International GOLF Resort	403	54,000	7,500	87.25%
	Chengdu	Sino-Ocean Taikoo Li Chengdu	110	3,800	28,900	50%
			4,843	**445,400**	**10,900**	
Subtotal			38,716	2,649,000	14,600	
Car parks (various projects)			1,426	274,400	5,200	
Total			**40,142**	**2,923,400**	**13,700**	

* The Project was sold on 31 December 2014

Construction Progress and Developing Projects

Total GFA and total saleable GFA completed in 2014 were approximately 3,788,000 sq.m. and 2,953,000 sq.m., decreasing by 6% and 7% respectively compared to that in 2013. Meanwhile, we will maintain our construction scale in order to have enough GFA available for sale and for delivery to support our growth in 2015.

Landbank

Our Group's landbank decreased by 7% to 19,880,000 sq.m. in 2014. (2013: 21,353,000 sq.m.); while landbank with attributable interest decreased by 15% to 15,620,000 sq.m. (2013: 18,337,000 sq.m.). During 2014, we acquired 17 plots of land with total GFA of 7,058,000 sq.m. and attributable interest of approximately 3,702,000 sq.m., with average acquisition cost per sq.m. of about RMB4,300. On the other hand, we disposed of 9 projects with total landbank of approximately 4,607,000 sq.m. during the year. The average land cost per sq.m. for our landbank as at 31 December 2014 was approximately RMB3,300 (2013: RMB3,300).

Our Group's landbank details as at 31 December 2014 were as below:

Region	**Cities**	**Projects**	**Approximate total GFA ('000 sq.m.)**	**Approximate total saleable GFA ('000 sq.m.)**	**Remaining landbank ('000 sq.m.)**	**Interest attributable to our Group (%)**
Beijing-Tianjin-Hebei Region	Beijing	CBD Plot Z6	244	190	244	100%
		CBD Plot Z13	162	126	162	10%
		Changping Sci-tech Park F2 Project	224	179	224	50%
		Mizhiyun Project	80	71	42	90%
		Ocean Crown	209	182	127	100%
		Ocean LA VIE	318	281	200	85.72%
		Ocean Landscape Eastern Area	101	89	58	100%
		Ocean Manor	182	138	33	100%
		Ocean Melody	55	48	55	100%
		Ocean Metropolis	336	264	336	75%
		Ocean Palace	436	387	354	100%
		Ocean Spring	105	95	105	100%
		POETRY OF RIVER	793	705	21	100%
		Liunianfu Project, Shijingshan District	269	190	269	60%
		Linkongxincun No. 31 plot, Tongzhou District	174	157	174	30%
		Core Center Plot, Tongzhou District	465	345	465	50%

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)
	Tianjin	Ocean City	2,137	1,683	1,004	100%
		Ocean Express	335	288	31	100%
		Ocean Great Harmony	350	260	152	100%
		Ocean International Center	322	308	213	100%
		Ocean Prospect	321	261	26	100%
		Ocean Chanson	204	156	204	100%
		Royal River Phase I	113	104	113	100%
		Royal River Phase II	235	205	235	100%
		Yixingbu Project, Beichen District	2,991	2,585	2,991	40%
			11,161	**9,297**	**7,838**	
Northeast Region	Dalian	Ocean Diamond Bay	2,035	1,782	1,695	100%
		Ocean MIDTOWN	91	73	91	100%
		Ocean Seasons	138	116	4	100%
		Ocean Worldview	2,160	1,469	712	100%
		Sino-Ocean Technopole	922	540	922	100%
		The Place of Glory	926	877	926	100%
		Zhonghua Road Plot #2	111	52	111	100%
		Xiaoyao Bay Project	219	175	219	100%
	Shenyang	Ocean Paradise	713	695	32	100%
		Ocean Residence	181	171	27	100%
	Changchun	Ocean Cannes Town	1,200	912	881	100%
			8,696	**6,862**	**5,620**	
Central Region	Shanghai	Ocean Fortune Center	59	54	59	100%
		Huinan Project	323	231	323	100%
		Ocean Mansion No. 7	119	111	23	100%
	Hangzhou	Canal Business Center Project	651	191	651	100%
		Ocean In Your Heart	171	109	15	100%
		Ocean Manson	287	218	101	100%
	Huangshan	An Island Paradise	220	220	111	100%
	Qingdao	Wutaishan Road Plot, Huangdao District	110	106	110	95%
		Ocean Prospect	147	109	3	100%
		Ocean Seasons	146	120	28	100%
	Wuhan	Hejiadun Project	1,020	974	1,020	38%
		Ocean Manor	80	71	5	55%
		Ocean World	411	371	411	55%
			3,744	**2,885**	**2,860**	

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)
Southern Region	Zhongshan	Ocean Aromas	142	132	142	51%
		Ocean Bloom	200	189	200	51%
		Ocean City	2,089	1,776	773	100%
		Ocean Emerald	490	465	490	61%
		Xinjiayuan Phase II	170	160	170	51%
		Ocean New Era	518	504	274	100%
	Shenzhen	Ocean Express	556	374	441	84.70%
		Shengping Project	391	244	391	85%
	Haikou	Ocean Zen House	112	104	83	70%
	Chongqing	Sino-Ocean International GOLF Resort	570	389	276	87.25%
		Gaomiao Plot, Jiulongpo District	120	84	120	37.71%
	Chengdu	Sino-Ocean Taikoo Li Chengdu	417	148	202	50%
			5,775	**4,569**	**3,562**	
Total			**29,376**	**23,613**	**19,880**	

Property investment

In 2014, revenue from property investment increased by 23% to RMB679 million (2013: RMB550 million). As at 31 December 2014, our Group held 8 operating investment properties and several carparks.

During 2014, we had two additional investment properties commencing operations, including our cooperation project Sino-Ocean Taikoo Li Chengdu with Swire Properties Limited in Chengdu and Ocean International Center, Phase II in Beijing.

List of our operating investment properties as at 31 December 2014 as below:

	Approximate leasable area *(sq.m.)*	**Office premises** *(sq.m.)*	**Retail space** *(sq.m.)*	**Others** *(sq.m.)*	**Occupancy rate as at 31 December 2014** *(%)*	**Interest attributable to our Group** *(%)*
Ocean Plaza (Beijing)	30,000	26,000	–	4,000	100%	72%
Ocean International Center Block A (Beijing)	101,000	75,000	9,000	17,000	96%	100%
Ocean Office Park (Beijing)	127,000	81,000	22,000	24,000	92%	100%
Ocean We-life Plaza (Beijing)	31,000	–	31,000	–	96%	100%
Ocean We-life Plaza (Tianjin)	41,000	–	41,000	–	83%	100%
Ocean Express (Beijing) Carparks	15,000	–	–	15,000	81%	100%
Sub-total	345,000	182,000	103,000	60,000		
Other						
INDIGO (Beijing)	176,000	49,000	71,000	56,000	over 85%	50%
Ocean International Center, Phase II (Beijing)	77,000	47,000	19,000	11,000	over 79%	35%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	82,000	–	82,000	–	73%	50%
Total	680,000	278,000	275,000	127,000		

The audited consolidated results of the Group for the year ended 31 December 2014 are as follows:

Consolidated Balance Sheet

		As at 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**263,694**	203,827
Land use rights		**8,739**	8,985
Investment properties		**11,882,712**	10,302,496
Goodwill		**206,349**	239,523
Investments in joint ventures		**3,720,215**	1,682,273
Investments in associates		**2,362,918**	629,572
Available-for-sale financial assets		**1,737,174**	745,847
Trade and other receivables	*5*	**10,905,792**	15,606
Deferred income tax assets		**1,082,857**	1,940,419
		32,170,450	15,768,548
Current assets			
Prepayments for land use rights		**6,553,151**	10,685,916
Properties under development		**41,540,133**	69,903,227
Inventories, at cost		**82,069**	99,037
Amounts due from customers for contract work		**821,804**	996,539
Land development cost recoverable		**2,161,711**	1,713,850
Completed properties held for sale		**17,213,758**	12,079,650
Available-for-sale financial assets		**100,000**	405,400
Other investments		**–**	19,676
Financial assets at fair value through profit or loss		**663,165**	191,413
Trade and other receivables	*5*	**14,569,278**	9,955,459
Restricted bank deposits		**3,025,092**	4,797,032
Cash and cash equivalents		**13,311,150**	11,252,893
		100,041,311	122,100,092
Total assets		**132,211,761**	137,868,640

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
EQUITY			
Equity attributable to owners of the company			
Capital		**26,693,226**	26,079,244
Shares held for Restricted Share Award Scheme		**(41,504)**	(79,008)
Reserves		**(333,214)**	166,032
Retained earnings			
— Proposed final dividend	*12*	**981,664**	920,391
— Others		**13,190,679**	10,438,201
		40,490,851	37,524,860
Capital securities		**2,532,866**	2,532,866
		43,023,717	40,057,726
Non-controlling interests		**1,359,276**	3,387,319
Total equity		**44,382,993**	43,445,045
LIABILITIES			
Non-current liabilities			
Borrowings		**34,437,176**	22,455,625
Trade and other payables	*6*	**13,377**	–
Deferred income tax liabilities		**1,989,782**	1,853,313
		36,440,335	24,308,938
Current liabilities			
Borrowings		**11,166,668**	12,839,209
Trade and other payables	*6*	**17,762,179**	17,987,221
Advance receipts from customers		**18,887,434**	34,603,586
Income tax payable		**3,572,152**	4,684,641
		51,388,433	70,114,657
Total liabilities		**87,828,768**	94,423,595
Total equity and liabilities		**132,211,761**	137,868,640
Net current assets		**48,652,878**	51,985,435
Total assets less current liabilities		**80,823,328**	67,753,983

Consolidated Income Statement

		Year ended 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**38,896,090**	31,099,385
Cost of sales		**(30,728,756)**	(23,552,300)
Gross profit		**8,167,334**	7,547,085
Interest and other income		**385,847**	376,164
Other gains/(losses) — net	*8*	**102,868**	102,458
Fair value gains on investment properties		**591,165**	807,950
Selling and marketing expenses		**(845,742)**	(785,214)
Administrative expenses		**(1,012,097)**	(675,021)
Operating profit		**7,389,375**	7,373,422
Finance costs	*9*	**(469,076)**	(363,604)
Share of results of joint ventures		**299,793**	347,390
Share of results of associates		**134,965**	(16,311)
Profit before income tax		**7,355,057**	7,340,897
Income tax expense	*10*	**(2,748,828)**	(2,679,781)
Profit for the year		**4,606,229**	4,661,116
Attributable to:			
Owners of the Company		**4,597,292**	4,074,741
Non-controlling interests		**8,937**	586,375
		4,606,229	4,661,116
Earnings per share attributable to owners of the Company during the year (expressed in RMB)			
Basic earnings per share	*11*	**0.590**	0.592
Diluted earnings per share	*11*	**0.588**	0.589

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit for the year	**4,606,229**	4,661,116
Other comprehensive income		
Items that may be reclassified to profit or loss		
Fair value losses on available-for-sale financial assets	**(20,414)**	(2,309)
Reserves realized upon disposal of available-for-sale financial assets	**–**	20,946
Currency translation differences	**1,681**	27,674
Other comprehensive income for the year	**(18,733)**	46,311
Total comprehensive income for the year	**4,587,496**	4,707,427
Total comprehensive income attributable to:		
— Owners of the Company	**4,578,559**	4,121,052
— Non-controlling interests	**8,937**	586,375
	4,587,496	4,707,427

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Sino-Ocean Land Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. The Company and its subsidiaries (together, the "Group") are principally engaged in investment holding, property development and property investment in the People's Republic of China (the "PRC").

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

The consolidated financial statements have been approved for issue by the Board of Directors on 17 March 2015.

2 BASIS OF PREPARATION

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

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014 and which have no material impact on the Group:

Amendment to HKAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities.

Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting.

Amendments to HKFRS 10, 12 and HKAS 27 "Consolidation for investment entities", mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

HK(IFRIC) 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 'Provisions'.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

(b) New and amended standards relevant to the Group that have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is in the process of assessing the impact of HKAS 15 on its financial statements.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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

4 SEGMENT INFORMATION

The segment information provided to the Committee for the reportable segments for the years ended 31 December 2014 and 2013 is as follows:

	Property development				Investment property	All other segments	Total	Inter-company elimination	Total
	Beijing	Tianjin	North-east	Others					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2014									
Total revenue	**7,889,049**	**3,732,976**	**9,085,301**	**14,601,323**	**686,990**	**5,390,078**	**41,385,717**	**–**	**41,385,717**
Inter-segment revenue	**(66,100)**	**–**	**–**	**–**	**(7,589)**	**(2,415,938)**	**(2,489,627)**	**–**	**(2,489,627)**
Revenue (from external customers)	**7,822,949**	**3,732,976**	**9,085,301**	**14,601,323**	**679,401**	**2,974,140**	**38,896,090**	**–**	**38,896,090**
Segment operating profit	**1,614,683**	**385,425**	**863,671**	**1,823,232**	**588,456**	**925,769**	**6,201,236**	**978,465**	**7,179,701**
Depreciation and amortization	**(528)**	**(1,172)**	**(1,958)**	**(4,306)**	**(662)**	**(26,911)**	**(35,537)**	**–**	**(35,537)**
Income tax expense *(Note 10)*	**(424,529)**	**(198,726)**	**(651,839)**	**(1,049,691)**	**(149,313)**	**(274,730)**	**(2,748,828)**	**–**	**(2,748,828)**
Finance income	**20,993**	**38,466**	**95,650**	**186,101**	**49,506**	**1,329,510**	**1,720,226**	**(1,538,603)**	**181,623**
Year ended 31 December 2013									
Total revenue	6,790,831	1,909,547	7,701,293	11,753,744	554,429	4,960,202	33,670,046	–	33,670,046
Inter-segment revenue	(9,017)	–	–	–	(4,866)	(2,556,778)	(2,570,661)	–	(2,570,661)
Revenue (from external customers)	6,781,814	1,909,547	7,701,293	11,753,744	549,563	2,403,424	31,099,385	–	31,099,385
Segment operating profit	1,511,248	166,680	955,004	2,043,988	448,685	351,687	5,477,292	1,317,244	6,794,536
Depreciation and amortization	(1,428)	(1,382)	(3,040)	(8,265)	(490)	(19,310)	(33,915)	–	(33,915)
Income tax expense *(Note 10)*	(695,287)	(58,786)	(481,296)	(976,093)	(239,827)	(228,492)	(2,679,781)	–	(2,679,781)
Finance income	21,347	35,892	36,607	195,592	45,072	661,903	996,413	(859,447)	136,966
As at 31 December 2014									
Total segment assets	**36,631,936**	**11,249,819**	**35,541,206**	**35,009,108**	**10,669,338**	**99,920,958**	**229,022,365**	**(108,325,494)**	**120,696,871**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**67**	**2,157**	**370**	**1,449**	**1,595,766**	**113,042**	**1,712,851**	**–**	**1,712,851**
Total segment liabilities	**19,462,495**	**4,581,243**	**10,570,697**	**17,204,148**	**2,195,624**	**60,849,833**	**114,864,040**	**(74,628,898)**	**40,235,142**
As at 31 December 2013									
Total segment assets	39,877,395	11,273,816	41,514,384	54,987,217	10,370,473	55,216,798	213,240,083	(82,636,076)	130,604,007
Additions to non-current assets (other than financial instruments and deferred income tax assets)	18,462	3,722	1,072	947	3,216,242	7,591	3,248,036	–	3,248,036
Total segment liabilities	24,617,250	6,103,207	19,685,471	29,287,165	2,356,983	45,811,792	127,861,868	(70,586,420)	57,275,448

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

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Segment operating profit	**7,179,701**	6,794,536
Corporate finance income	**151,821**	134,647
Corporate overheads	**(533,312)**	(363,711)
Fair value gains on investment properties	**591,165**	807,950
Share of results of joint ventures	**299,793**	347,390
Share of results of associates	**134,965**	(16,311)
Finance costs *(Note 9)*	**(469,076)**	(363,604)
Profit before income tax	**7,355,057**	7,340,897

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

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Total segment assets	**120,696,871**	130,604,007
Corporate cash and cash equivalents	**1,848,561**	1,650,033
Investments in joint ventures	**3,720,215**	1,682,273
Investments in associates	**2,362,918**	629,572
Available-for-sale financial assets	**1,837,174**	1,151,247
Other investments	**–**	19,676
Financial assets at fair value through profit or loss	**663,165**	191,413
Deferred income tax assets	**1,082,857**	1,940,419
Total assets per consolidated balance sheet	**132,211,761**	137,868,640
Total segment liabilities	**40,235,142**	57,275,448
Current borrowings	**11,166,668**	12,839,209
Non-current borrowings	**34,437,176**	22,455,625
Deferred income tax liabilities	**1,989,782**	1,853,313
Total liabilities per consolidated balance sheet	**87,828,768**	94,423,595

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2014 and 2013.

As at 31 December 2014, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB18,032,021,000 (2013: RMB12,812,244,000), the total of these non-current assets located in Hong Kong and the United States is RMB412,606,000 (2013: RMB254,432,000).

For the year ended 31 December 2014 and 2013, the Group does not have any single customer with the transaction value over 10% of the total external sales.

5 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**387,702**	1,240,365
Less: provision for impairment	**(11,635)**	(101,437)
Trade receivables — net *(a)*	**376,067**	1,138,928
Tax prepayments for advances receipts from customers	**2,720,563**	4,072,313
Entrusted loans to third parties	**2,063,588**	175,000
Entrusted loans to joint ventures	**8,642,355**	198,500
Entrusted loan to associates	**490,000**	512,000
Entrusted loan to non-controlling interests	**–**	114,240
Receivables from government	**1,788,762**	813,132
Receivables from partial disposal of interests in a subsidiary	**479,785**	–
Amounts due from subsidiary of a shareholder	**300,000**	–
Amounts due from joint ventures	**5,880,494**	1,173,545
Amounts due from associates	**395,419**	369,117
Amounts due from non-controlling interests	**148,855**	51,720
Cooperation deposits	**603,492**	588,607
Prepayment for subscription of available-for-sale financial assets	**318,371**	–
Other prepayments	**668,159**	332,597
Other receivables	**599,160**	431,366
	25,475,070	9,971,065
Less: non-current portion	**(10,905,792)**	(15,606)
Current portion	**14,569,278**	9,955,459

The carrying amounts of trade and other receivables approximate their respective fair values as at 31 December 2014 and 2013.

(a) Trade receivables

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

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 6 months	**175,641**	492,570
Between 6 months to 1 year	**128,925**	293,286
Between 1 year to 2 years	**70,508**	400,357
Between 2 years to 3 years	**6,826**	48,500
Over 3 years	**5,802**	5,652
	387,702	1,240,365

(i) As at 31 December 2014, trade receivables of RMB238,269,000 (2013: RMB793,968,000) were past due but not impaired. These related to a number of independent customers from upfitting services and property management services, for whom there is no significant financial difficulty and no recent history of default.

(ii) As at 31 December 2014, trade receivables of RMB11,635,000 (2013: RMB101,437,000) were impaired. The individually impaired receivables mainly related to receivables of upfitting and property management fees.

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

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
At 1 January	**(101,437)**	(80,269)
Provision for receivable impairment	**(116,204)**	(21,168)
Disposals of subsidiaries	**206,006**	–
At 31 December	**(11,635)**	(101,437)

6 TRADE AND OTHER PAYABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade payables	**8,951,250**	10,937,489
Accrued expenses	**1,864,616**	2,356,079
Amounts due to a shareholder	**–**	400,000
Amounts due to joint ventures	**372,445**	–
Amounts due to associates	**1,083,999**	385
Amounts due to non-controlling interests	**68,192**	306,762
Amounts due to government	**186,786**	265,000
Other taxes payable	**515,649**	518,509
Provision for financial guarantee liabilities	**70,756**	114,593
Other payables	**4,661,863**	3,088,404
	17,775,556	17,987,221
Less: non-current portion	**(13,377)**	–
Current portion	**17,762,179**	17,987,221

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

An ageing analysis of the trade payables is as follows:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 6 months	**5,257,787**	7,544,009
Between 6 months to 12 months	**1,475,718**	2,057,529
Between 1 year to 2 years	**1,988,544**	1,186,824
Between 2 years to 3 years	**160,265**	97,766
Over 3 years	**68,936**	51,361
	8,951,250	10,937,489

7 EXPENSES BY NATURE

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

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Cost of properties and land use rights sold:		
— Land use rights	**7,594,690**	4,959,728
— Capitalized interest	**1,627,960**	1,009,184
— Construction related cost	**15,867,499**	13,415,850
Cost of up fitting services rendered	**1,909,763**	1,495,678
Direct investment property expenses	**114,332**	95,285
Employee benefit expense	**886,984**	566,085
Consultancy fee	**186,362**	190,046
Auditor's remuneration	**14,035**	13,826
Depreciation	**35,291**	33,669
Amortization of land use rights	**246**	246
Advertising and marketing	**741,109**	765,850
Business taxes and other levies	**2,262,435**	1,862,785
Impairment losses	**665,262**	28,126
Office expenditure	**138,537**	117,734
Properties maintenance expenses	**268,827**	254,131
Energy expenses	**97,135**	75,743
Others	**176,128**	128,569
	32,586,595	25,012,535

8 OTHER GAINS/(LOSSES) — NET

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Losses on partial disposal of interests in a subsidiary	**(44,341)**	–
Gains on disposal of entire interests in subsidiaries	**25,448**	27,489
Gains on disposal of a joint venture	**214**	1,666
Gains on disposal of an associate	**2**	–
Fair value losses of other investment	**–**	(672)
Gains/(losses) on disposal of other investment	**1,207**	(5,601)
Gains on revaluation of financial assets at fair value through profit or loss	**24,388**	10,299
Gains on disposal of financial assets at fair value through profit or loss	**25,619**	3,629
(Losses)/gains on disposal of property, plant and equipment	**(4,309)**	63
Gains/(losses) on disposal of available-for-sale financial assets	**49,800**	(20,946)
Exchange gains	**3,257**	100,120
Gains on de-recognition of derivative financial instrument	**–**	19,121
Other gains/(losses)	**21,583**	(32,710)
	102,868	102,458

9 FINANCE COSTS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Interest expense:		
— Bank borrowings	**1,967,441**	1,520,427
— Other borrowings	**1,196,773**	1,064,320
Less: interest capitalized at a capitalization rate of 7.08% (2013: 7.33%) per annum	**(2,695,138)**	(2,221,143)
	469,076	363,604

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 2014 and 2013. Other group entities are mainly subject to Hong Kong profits tax.

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

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Current income tax:		
— PRC enterprise income tax	**1,345,835**	1,285,697
— PRC land appreciation tax	**629,966**	780,074
Deferred income tax	**773,027**	614,010
	2,748,828	2,679,781

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	
	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**7,355,057**	7,340,897
Adjust for: Share of results of joint ventures	**(299,793)**	(347,390)
Share of results of associates	**(134,965)**	16,311
	6,920,299	7,009,818
Tax calculated at a tax rate of 25%	**1,730,075**	1,752,455
Effect of higher tax rate for the appreciation of land in the PRC	**472,475**	585,056
Income not subject to tax	**(1,307)**	(333)
Expenses not deductible for tax purposes	**219,018**	199,074
Dividend withholding tax	**120,946**	151,972
Tax losses not recognized	**235,558**	70,689
Utilization of previously unrecognized tax losses	**(27,937)**	(79,132)
Income tax expense	**2,748,828**	2,679,781

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	
	2014	2013
Profit attributable to owners of the Company *(RMB'000)*	**4,597,292**	4,074,741
Distribution relating to convertible and capital securities *(RMB'000)*	**(252,249)**	(511,880)
Profit used to determine basic earnings per share *(RMB'000)*	**4,345,043**	3,562,861
Weighted average number of ordinary shares in issue *(thousands)*	**7,362,275**	6,015,516
Basic earnings per share *(RMB per share)*	**0.590**	0.592

(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 shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and the unvested awarded shares.

	Year ended 31 December	
	2014	2013
Profit attributable to owners of the Company *(RMB'000)*	**4,597,292**	4,074,741
Distribution relating to convertible and capital securities *(RMB'000)*	**(252,249)**	(511,880)
Profit used to determine diluted earnings per share *(RMB'000)*	**4,345,043**	3,562,861
Weighted average number of ordinary shares in issue *(thousands)*	**7,362,275**	6,015,516
Adjustment for:		
— share options *(thousands)*	**21,799**	34,841
— shares held for the Restricted Share Award Scheme *(thousands)*	**2,057**	2,933
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**7,386,131**	6,053,290
Diluted earnings per share *(RMB per share)*	**0.588**	0.589

12 DIVIDENDS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Interim dividend paid	**443,785**	325,725
Proposed final dividend of RMB0.13 (2013: RMB0.13) per ordinary share *(a)*	**981,664**	920,391

(a) On 17 March 2015, the Company proposed a final dividend of RMB981,664,000 for the year ended 31 December 2014.

13 EVENTS AFTER THE BALANCE SHEET DATE

In January 2015, Sino-Ocean Land Treasure Finance II Limited (the "Issuer"), the Company's wholly-owned subsidiary, issued a guaranteed note with principal amount of USD700,000,000 at interest rate of 4.45 per cent per annum due in 2020 (the "2020 Notes") and another note with principal amount of USD500,000,000 at interest rate of 5.95 per cent per annum due in 2027 (the "2027 Notes", together with the 2020 Notes, the "Notes"). The Notes are unsecured and are guaranteed by the Company.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed upon by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary results announcement.

FINAL DIVIDEND

The Board proposed to recommend at the forthcoming AGM to be held on Tuesday, 12 May 2015 the payment of a final dividend of HKD0.165 per ordinary share for the year ended 31 December 2014. The final dividend will be paid in cash, with a scrip dividend option offered to all shareholders excluding shareholders with registered addresses outside Hong Kong. The final dividend and the scrip dividend option are subject to the approval of the shareholders at the forthcoming AGM and the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the new shares. The final dividend will be paid to the shareholders whose name is standing in the register of members of ordinary shares of the Company on Friday, 15 May 2015. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited (the "Share Registrar") at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 15 May 2015.

It is expected that the cheques for cash entitlement in relation to the 2014 final dividend and/or share certificates for the scrip shares will be despatched at the risk of those entitled thereto to their respective registered addresses on or about Monday, 29 June 2015. Subject to the granting of approval for listing of, and permission to deal in, the scrip shares, the dealings in the scrip shares on the Stock Exchange are expected to commence on or around Tuesday, 30 June 2015.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Tuesday, 12 May 2015. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of ordinary shares of the Company will be closed from Thursday, 7 May 2015 to Tuesday, 12 May 2015 (both dates inclusive), during which no transfer of ordinary shares will be registered. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar no later than 4:30 p.m. on Wednesday, 6 May 2015.

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

During the year under review, 700,000 ordinary shares of the Company being repurchased on the Stock Exchange were cancelled and the number of issued shares of the Company was reduced accordingly. The above repurchases were effect by the Directors, pursuant to the mandate granted by shareholders in the Company's annual general meeting held on 9 May 2014, with a view to benefit shareholders as a whole in enhancing the net assets and the earnings per share of the Company. Details of the repurchases of such ordinary shares are as follows:

Month of the repurchases	**Number of ordinary shares repurchased**	**Highest price paid by share** *(HKD)*	**Lowest price paid by share** *(HKD)*	**Aggregate consideration** *(HKD Million)*
May 2014	500,000	3.93	3.88	1.96
June 2014	200,000	3.90	3.86	0.77

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

RESTRICTED SHARE AWARD SCHEME

The Restricted Share Award Scheme (the "Award Scheme") was adopted by the Board on 22 March 2010 (the "Adoption Date") as an incentive to retain and encourage employees for the continual operation and development of our Group. During the year under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 4,462,278 shares of the Company by way of market acquisition at an aggregate consideration of approximately RMB11,755,000 (including transaction cost) and received scrip share in lieu of cash dividend in an amount of approximately RMB2,612,000. Up to 31 December 2014, 41,686,111 shares of the Company had been acquired from the market, and from receiving scrip shares in lieu of cash dividend by the trustee, at an aggregate consideration of approximately RMB154,300,000 (including transaction costs), representing 0.74% of the issued share capital of the Company as at the Adoption Date.

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

	Awarded Shares				
Date of award	**Balance as at 1 January 2014**	**Shares awarded during the year**	**No. of shares vested during the year**	**No. of shares lapsed during the year** *(note)*	**Balance as at 31 December 2014**
18 March 2011	1,150,163	–	(1,111,632)	(38,531)	–
18 March 2013	21,833,000	–	(13,236,025)	(958,600)	7,638,375
18 March 2014	–	25,012,000	–	–	25,012,000
13 May 2014	–	512,000	–	–	512,000
Total	22,983,163	25,524,000	(14,347,657)	(997,131)	33,162,375

Note: Pursuant to the Award Scheme, 997,131 awarded shares were lapsed upon the resignation of awardees.

CORPORATE GOVERNANCE

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

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

Further information of the Company's corporate governance practices will be set out in the Corporate Governance Report of the Company's 2014 Annual Report which will be sent to the shareholders on or about 9 April 2015.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2014.

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

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.sinooceanland.com). The annual report for the year ended 31 December 2014 will be despatched to the shareholders on or about 9 April 2015 and will be available on the Company's and the Stock Exchange's websites at about the same time.

APPRECIATION

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

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

Hong Kong, 17 March 2015

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	Mr. YANG Zheng	Mr. TSANG Hing Lun
Ms. LIU Hui	Mr. FANG Jun	Mr. GU Yunchang
Mr. CHEUNG Vincent Sai Sing	Mr. CHUNG Chun Kwong, Eric	Mr. HAN Xiaojing
Mr. CHEN Runfu		Mr. ZHAO Kang
Mr. WEN Haicheng		