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## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **FINANCIAL HIGHLIGHTS**

- Total contracted sales amounted to a record high of RMB131,040 million.
- Revenue increased by 11% to RMB56,511 million as compared to that of 2019.
- Profit attributable to owners of the Company amounted to RMB2,866 million, representing an increase of 8% as compared to that of 2019. Core profit increased by 7% to RMB2,227 million as compared to that of 2019. Basic and diluted earnings per share was RMB0.376.
- The weighted average interest rate decreased to 5.10%, a decrease of 40 basis points compared to that of 2019.
- As at 31 December 2020, net gearing ratio decreased by 22 percentage points to 55% as compared to that at 31 December 2019. Total cash resources amounted to RMB43,929 million, maintaining financial soundness.
- Total assets amounted to RMB259,689 million.
- The Board is pleased to propose a final dividend of RMB0.075 per share, in the form of cash. Together with the interim dividend of RMB0.056 per share, total dividend declared for the year was RMB0.131 per share.

The board of directors (the “Board”) of Sino-Ocean Group Holding Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively “our Group”, “the Group” or “we”) for the year ended 31 December 2020.

For the twelve months ended 31 December 2020, the Group recorded RMB56,511 million in revenue, an increase of 11% as compared to the previous year. Benefiting from the increase of revenue and effective cost control measures during the year, profit attributable to owners of the Company and earnings per share in 2020 increased to RMB2,866 million and RMB0.376 respectively, both of which have increased by 8% as compared to the previous year.

Based on the profit attributable to owners of the Company in 2020, the Board is pleased to propose a final dividend of RMB0.075 per share for the year ended 31 December 2020. Together with the interim dividend of RMB0.056 per share, total dividend per share for 2020 was RMB0.131 (2019: HKD0.136, equivalent to RMB0.122, rounded to the nearest three decimal places). The payment of the 2020 final dividend would be subject to the approval of the shareholders of the Company (the “Shareholders”) at the Company’s annual general meeting (the “AGM”).

## **MARKET REVIEW AND OUTLOOK**

### **2020 market review**

As the pandemic ravaged the world in 2020, global economy suffered a historic setback. Economy in China first declined then rose and became the only in the world’s major economies to record a positive growth. Central government persisted with ‘housing for accommodation not speculation’ and regulatory measures of the industry’s finance by laying down ‘three red lines’ and implementing policies to centralize credit management of banks. More stringent measures were also applied to cities where property prices rose rapidly. The Group predicts that the ‘three red lines’ will have far-reaching impact on the industry’s development and competition strategies among enterprises.

The pandemic eased off since the second quarter of 2020 and the market picked up continually as a result of the various supportive measures by the Central and local governments. Data from the National Bureau of Statistics showed that sales of commercial housing in China in 2020 reached RMB17.36 trillion, a record high, rising 8.7% YoY.

Faced with severe challenges differentiation of property enterprises in different echelons deepened. The edge enjoyed by national brands in sales, product quality, cost control and financing capabilities became even more apparent and these enterprises garnered even greater market share. Under the ‘three red lines’ investments by property enterprises were tightened and geared towards high-energy cities. More resources were invested in product quality, user services and digitalization. Streamlined operation and internal efficiency were accentuated.

## 2021 market outlook

Looking ahead, 2021 is the year in which China's 14th Five-Year Plan commences. In view of the uncertain international circumstance and the pandemic situation, China's macro policies will seek a balance between 'stabilizing growth, controlling risks, encouraging reforms'. Macro policies regarding real estate will therefore maintain that 'housing is for accommodation not speculation' and 'stability' is the priority, city-specific policies are also in place to curb undue fluctuations. As the effects of the 'three red lines' and bank credit red line are gradually felt, it is expected that the industry's funding will remain tight in the entire year. As the unusual monetary policies gradually fade out and control policies for core cities remain stringent, market demand is expected to remain stable.

In the mid to long term, the industry will still face many trials. Though there is still room for market expansion, the industry's growth rate will slacken and go into a 'slow growth' cycle, moving from a rapid growth driven by financial leverage to one that is more stable, balanced and of quality. Users' demands for high quality real estate products and services are more substantial all the time, urging the industry to become increasingly similar to 'manufacturing', 'servicing' and 'financing'. As the tendency of industry concentration and profitability decline in stages becomes apparent, enterprises that are cash rich and enjoy a robust financial position will have better access to market resources and opportunities. Those who possess inner strength, maintain solid operation, build excellent products and offer exceptional services will stand out from the rest.

## FINANCIAL REVIEW

### Revenue

The components of the revenue are analyzed as follows:

<i>(RMB million)</i>	<b>2020</b>	2019	<i>Change</i>
Property development	<b>49,617</b>	43,100	15%
Property investment	<b>494</b>	678	-27%
Property management and related services <sup>1</sup>	<b>1,763</b>	1,579	12%
Other real estate related businesses	<b>4,637</b>	5,569	-17%
<b>Total</b>	<b>56,511</b>	50,926	11%

Note:

1. Property management and related services represent property management services, community value-added services and value-added services to non-property owners only.

The Group's revenue in 2020 increased by 11% to RMB56,511 million, from RMB50,926 million in 2019. Property development segment remained the largest contributor, which accounted for about 88% of total revenue. The Group pursues the 'south and west' strategic planning. During 2020, 74% of revenue from property development was contributed by the Eastern, Southern, Central and Western Regions (2019: 59%). We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

### **Cost of sales**

In line with the increase in the recognised sales of property development, the Group's total cost for the year increased to RMB46,053 million accordingly (2019: RMB40,704 million). Excluding carparks, average land cost per sq.m. of property development business in 2020 increased to approximately RMB6,200 compared to RMB5,400 in 2019. This was mainly due to more projects in tier-one cities being delivered, such as Ocean Palace and Ocean Seafront Towers in Shenzhen, which were at relatively higher land cost. Average construction cost per sq.m. (excluding carparks) for property development business decreased by 5% to approximately RMB5,400 for the year, compared to RMB5,700 in 2019. The decrease in average construction cost was mainly because the Group further strengthened its cost competitiveness by optimizing the project cost control and management system.

### **Gross profit**

Gross profit for the year was RMB10,457 million, representing an increase of 2% compared to that of 2019. Gross profit margin slightly decreased to 19% (2019: 20%).

### **Interest and other income and other gains (net)**

Interest and other income decreased by 14% to RMB2,394 million in 2020, compared to RMB2,771 million in 2019. Such decrease was mainly due to the decrease in entrusted loan interest income, which was brought by the overall decline in the entrusted loan balance during the year.

The Group recorded other gains (net) of RMB1,335 million in 2020 (2019: RMB699 million). Other gains (net) were mainly comprised of exchange gains, gains on revaluation of financial assets and financial liabilities at fair value through profit or loss and losses on disposal of subsidiaries during the year.

### **Revaluation of investment properties**

Due to the adverse impact caused by the novel coronavirus pandemic, the Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB156 million for 2020 (2019: fair value gains of RMB373 million).

## **Operating expenses**

Selling and marketing expenses for 2020 was RMB1,293 million (2019: RMB1,270 million), which increased by 2% as compared to 2019. These costs accounted for approximately 1.0% of the total contracted sales amount for 2020 (2019: 1.0%). It mainly reflected that the Group put more resources in its sales and marketing activities during 2020.

Under the Group's strict cost control policy, despite the incurrence of the one-off listing expense of Sino-Ocean Service Holding Limited ("Sino-Ocean Service"), an indirect non-wholly owned subsidiary of the Company and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 December 2020, in the amount of approximately RMB38 million, administrative expenses incurred for 2020 decreased to RMB1,816 million (2019: RMB1,919 million), representing 3.2% of the total revenue for 2020 (2019: 3.8%). The Group will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

## **Finance costs**

Our weighted average interest rate decreased to 5.10% for the year of 2020 (2019: 5.50%). As we obtained lower cost of financing during the year, the total interest expenses paid or accrued amounted to RMB4,832 million in 2020 (2019: RMB5,236 million), of which RMB2,111 million (2019: RMB2,394 million) was not capitalized and charged through consolidated income statement during the year.

## **Taxation**

The aggregate of enterprise income tax and deferred tax slightly increased to RMB2,550 million in 2020 (2019: RMB2,536 million), reflecting an effective tax rate of 35% (2019: 38%). The decrease in the effective tax rate is mainly due to the decrease of non-deductible expenses recognized in 2020, which affected the calculation basis. In addition, land appreciation tax in 2020 decreased to RMB2,817 million (2019: RMB3,715 million).

## **Profit attributable to owners of the Company**

Benefiting from the increase in revenue and effective cost control measures, profit attributable to owners of the Company in 2020 increased by 8% to RMB2,866 million, compared to RMB2,656 million in 2019. The Group's core profit increased by 7% to RMB2,227 million in 2020 (2019: RMB2,084 million). Our management will continue to focus on the improvement of our shareholders' return as their on-going task.

## **Financial resources and liquidity**

As at 31 December 2020, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB43,929 million, of which 92% (2019: 85%) of the Group's cash resources were denominated in RMB with the remaining balances denominated in other currencies, and a current ratio of 1.5 times (2019: 1.8 times). Together with unutilized credit facilities of about RMB242,150 million, the Group is confident with its liquidity.

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The Group maintained financial soundness with the net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) of approximately 55% (31 December 2019: approximately 77%).

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

<i>(RMB million)</i>	<b>As at 31 December 2020</b>	<b>As a percentage of total borrowings</b>	<b>As at 31 December 2019</b>	<b>As a percentage of total borrowings</b>
Within 1 year	<b>25,934</b>	<b>32%</b>	9,295	11%
1 to 2 years	<b>17,459</b>	<b>21%</b>	29,766	35%
2 to 5 years	<b>27,005</b>	<b>33%</b>	29,580	35%
Over 5 years	<b>11,806</b>	<b>14%</b>	15,266	19%
Total	<b>82,204</b>	<b>100%</b>	83,907	100%

**BUSINESS REVIEW**

**Property development**

*Recognized sales*

Revenue from property development business increased by 15% in 2020, amounting to RMB49,617 million (2019: RMB43,100 million). Saleable GFA delivered increased by 15% from approximately 2,975,000 sq.m. in 2019 to approximately 3,412,000 sq.m. in 2020. Excluding carparks sales, the average selling price recognized in 2020 slightly increased to RMB15,900 per sq.m. (2019: RMB15,700 per sq.m.).

**Revenue and saleable GFA delivered by cities during 2020 are set out as follows:**

<b>Regions</b>	<b>Cities</b>	<b>Revenue (RMB million)</b>	<b>Saleable GFA delivered (sq.m.)</b>	<b>Average selling price recognized (RMB/sq.m.)</b>
Beijing Region	Beijing	2,768	48,585	57,000
	Qinhuangdao	1,425	68,440	20,800
	Shijiazhuang	1,054	63,773	16,500
	Taiyuan	83	6,995	11,900
		<b>5,330</b>	<b>187,793</b>	<b>28,400</b>

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Bohai Rim Region	Tianjin	2,975	148,232	20,100
	Dalian	721	55,385	13,000
	Jinan	597	68,053	8,800
	Qingdao	123	7,740	15,900
	Shenyang	1,547	161,867	9,600
	Yantai	317	25,040	12,700
		<b>6,280</b>	<b>466,317</b>	<b>13,500</b>
Eastern Region	Shanghai	121	4,538	26,700
	Suzhou	972	93,586	10,400
	Wuxi	177	11,906	14,900
	Nanjing	2,337	199,880	11,700
	Hangzhou	5,654	178,744	31,600
	Jiaxing	1,993	134,947	14,800
	Wenzhou	1,589	73,433	21,600
	Changzhou	156	11,823	13,200
	Shaoxing	1,068	70,955	15,100
	Taizhou	1,086	65,132	16,700
		<b>15,153</b>	<b>844,944</b>	<b>17,900</b>
Southern Region	Shenzhen	4,439	64,337	69,000
	Zhongshan	525	69,496	7,600
	Zhanjiang	981	122,385	8,000
	Guangzhou	307	18,303	16,800
	Zhangzhou	443	63,861	6,900
	Foshan	2,023	180,289	11,200
	Sanya	46	990	46,500
		<b>8,764</b>	<b>519,661</b>	<b>16,900</b>
Central Region	Wuhan	6,648	399,627	16,600
	Changsha	73	4,888	14,900
	Hefei	1,257	126,057	10,000
		<b>7,978</b>	<b>530,572</b>	<b>15,000</b>

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<b>Regions</b>	<b>Cities</b>	<b>Revenue</b> (RMB million)	<b>Saleable GFA delivered</b> (sq.m.)	<b>Average selling price recognized</b> (RMB/sq.m.)
Western Region	Chengdu	1,021	53,707	19,000
	Chongqing	1,761	159,675	11,000
	Kunming	477	66,686	7,200
	Guiyang	349	34,943	10,000
		<b>3,608</b>	<b>315,011</b>	<b>11,500</b>
	Other projects	1,080	171,565	6,300
<b>Subtotal (excluding carpark)</b>		<b>48,193</b>	<b>3,035,863</b>	<b>15,900</b>
Carparks (various projects)		1,424	376,357	3,800
<b>Total</b>		<b>49,617</b>	<b>3,412,220</b>	<b>14,500</b>



## Contracted sales

The contracted sales of the Group, together with its joint ventures and associates, for the twelve months ended 31 December 2020 amounted to a record high of RMB131,040 million, representing approximately 1% increase compared to RMB130,030 million in 2019. Contracted saleable GFA sold in 2020 increased by 11% to 7,063,500 sq.m. (2019: 6,346,600 sq.m.). The average selling price (excluding car parks) decreased by 4% to RMB20,800 per sq.m. (2019: RMB21,700 per sq.m.).

**The contracted sales amounts and saleable GFA sold by cities in 2020 are set out below:**

Regions	Cities	Contracted sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Beijing Region	Beijing	29,080	761,100	38,200
	Langfang	1,038	61,900	16,800
	Qinhuangdao	3,719	199,600	18,600
	Shijiazhuang	3,269	240,300	13,600
	Taiyuan	1,460	127,400	11,500
	Zhangjiakou	314	35,600	8,800
		<b>38,880</b>	<b>1,425,900</b>	<b>27,300</b>
Bohai Rim Region	Tianjin	8,954	414,400	21,600
	Dalian	3,636	209,400	17,400
	Jinan	3,847	282,700	13,600
	Qingdao	6,285	239,300	26,300
	Shenyang	347	36,900	9,400
	Yantai	130	16,000	8,100
		<b>23,199</b>	<b>1,198,700</b>	<b>19,400</b>
Eastern Region	Shanghai	2,528	79,300	31,900
	Suzhou	1,941	96,000	20,200
	Wuxi	1,270	96,300	13,200
	Nanjing	651	45,000	14,500
	Hangzhou	9,708	272,400	35,600
	Jiaxing	1,174	112,900	10,400
	Wenzhou	272	10,200	26,700
	Yangzhou	300	17,900	16,800
	Chuzhou	96	6,800	14,100
	Changzhou	201	13,000	15,500
	Shaoxing	234	14,300	16,400
	Taizhou	245	9,600	25,500
		<b>18,620</b>	<b>773,700</b>	<b>24,100</b>

<b>Regions</b>	<b>Cities</b>	<b>Contracted sales (RMB million)</b>	<b>Saleable GFA sold (sq.m.)</b>	<b>Average selling price (RMB/sq.m.)</b>
Southern Region	Shenzhen	11,882	190,300	62,400
	Zhongshan	2,515	261,400	9,600
	Zhanjiang	586	54,200	10,800
	Guangzhou	988	43,000	23,000
	Fuzhou	1,048	64,800	16,200
	Maoming	95	13,400	7,100
	Zhangzhou	421	32,700	12,900
	Foshan	992	92,800	10,700
	Hong Kong	238	1,400	170,000
	Xiamen	1,210	75,100	16,100
		<b>19,975</b>	<b>829,100</b>	<b>24,100</b>
Central Region	Wuhan	9,615	428,300	22,400
	Zhengzhou	1,564	174,200	9,000
	Changsha	569	113,800	5,000
	Hefei	1,016	94,200	10,800
	Nanchang	852	85,500	10,000
		<b>13,616</b>	<b>896,000</b>	<b>15,200</b>
Western Region	Chengdu	1,469	93,500	15,700
	Xi'an	3,113	260,600	11,900
	Chongqing	1,288	109,800	11,700
	Kunming	546	37,700	14,500
	Guiyang	560	46,900	11,900
		<b>6,976</b>	<b>548,500</b>	<b>12,700</b>
	Other projects	1,669	236,300	7,100
<b>Subtotal (excluding carparks)</b>		<b>122,935</b>	<b>5,908,200</b>	<b>20,800</b>
Carparks (various projects)		8,105	1,155,300	7,000
<b>Total</b>		<b>131,040</b>	<b>7,063,500</b>	<b>18,600</b>

## Landbank and Construction in Progress

The Group's total GFA and total saleable GFA (including its joint ventures and associates) completed in 2020 were approximately 6,354,900 sq.m. and 5,152,700 sq.m. respectively, both of which increased by 44% as compared to that in 2019.

As at 31 December 2020, the landbank of the Group (including its joint ventures and associates) increased by 2% to approximately 38,043,000 sq.m. (31 December 2019: 37,243,000 sq.m.); while landbank with attributable interest slightly decreased by 1% to 19,945,000 sq.m. (31 December 2019: 20,119,000 sq.m.). In 2020, we acquired 51 plots of land and 2 developed projects, total GFA and attributable interest GFA were 7,914,000 sq.m. and 3,969,000 sq.m. respectively. The average acquisition cost per sq.m. of the newly acquired land plots was RMB11,000. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 31 December 2020 was approximately RMB7,900 (31 December 2019: RMB7,500).

## The landbank details of the Group and its joint ventures and associates as at 31 December 2020 are set out as follows:

Regions	Cities	Projects	Districts	Approximate	Approximate	Remaining	Interest
				total GFA ( <i>'000 sq.m.</i> )	total saleable GFA ( <i>'000 sq.m.</i> )		landbank ( <i>'000 sq.m.</i> )
Beijing Region	Beijing	26 Block	Shunyi District, Beijing	249	223	145	23.00%
		Anzhen Project	Chaoyang District, Beijing	46	–	46	12.06%
		Captain House	Fengtai District, Beijing	131	100	131	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	100.00%
		Changping Sci-tech Park F2 Project	Changping District, Beijing	256	193	251	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	118	25.00%
		Grand Canal Place	Tongzhou District, Beijing	479	334	379	50.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	224	40.00%
		Jasper Epoch	Daxing District, Beijing	92	78	51	49.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	126	11.10%
		Liuniangfu Plot A2, Shijingshan District	Shijingshan District, Beijing	249	187	249	31.00%
		Mentougou Tanzhe Temple Project	Mentougou District, Beijing	430	344	430	10.00%
		Ocean Epoch	Shijingshan District, Beijing	264	198	6	100.00%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	46	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	154	51.00%
		Ocean Rayzone	Fengtai District, Beijing	441	331	441	17.25%
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	547	21.00%
		Our New World	Fangshan District, Beijing	109	91	14	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	132	20.00%
		Senior Living L'Amore+He Yuan CLRC	Shunyi District, Beijing	49	–	49	60.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	69	50.00%
		The CBD's Private Palace	Daxing District, Beijing	436	383	49	100.00%
		World View	Chaoyang District, Beijing	71	52	71	16.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	230	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	300	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	100.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	12.82%
				7,071	5,542	5,535	

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Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Langfang	Canal Bay	Xianghe County, Langfang	269	180	269	20.00%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	28.21%
		Plot II, Guangyang Logistics Project	Guangyang District, Langfang	144	–	144	19.75%
		Sino-Ocean Brilliant Courtyard	Guangyang District, Langfang	1,897	954	1,897	30.24%
				<b>2,351</b>	<b>1,134</b>	<b>2,351</b>	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,226	100.00%
	Shijiazhuang	Ande Life Memorial Park	Jingxing County, Shijiazhuang	18	3	18	40.00%
		Chang’an District Redevelopment Project	Chang’an District, Shijiazhuang	147	94	147	51.00%
		Family Park	Chang’an District, Shijiazhuang	132	108	132	51.00%
		Family Park, Phase II	Chang’an District, Shijiazhuang	84	66	84	51.00%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	152	38.35%
		Jade Mansion, Phase II	Gaocheng District, Shijiazhuang	48	43	48	40.00%
		Sino-Ocean No. 7	Chang’an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang’an District, Shijiazhuang	228	171	151	51.00%
				<b>924</b>	<b>728</b>	<b>847</b>	
	Taiyuan	Ocean Seasons	Wanbailin District, Taiyuan	308	254	308	100.00%
		Sino-Ocean Oriental Mansion	Yingze District, Taiyuan	105	81	105	80.00%
		Villa Epoch	Yangqu County, Taiyuan	54	34	43	44.00%
				<b>467</b>	<b>369</b>	<b>456</b>	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	203	60.00%
				<b>12,454</b>	<b>9,179</b>	<b>10,618</b>	
Bohai Rim Region	Tianjin	Beichen Logistics Project	Beichen District, Tianjin	124	–	124	14.19%
		Boda Logistics Project	Wuqing District, Tianjin	285	–	285	24.50%
		Elegant Prestige	Jinnan District, Tianjin	285	194	31	25.00%
		Happy Light Year	Wuqing District, Tianjin	504	317	494	49.98%
		Harmony Mansion	Binhai New Area, Tianjin	102	78	102	58.00%
		Longfor Mansion	Jinnan District, Tianjin	227	171	98	33.00%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,828	51.00%
		Ocean City	Binhai New Area, Tianjin	2,137	1,929	41	100.00%
		Ocean Epoch	Binhai New Area, Tianjin	35	25	22	100.00%
		Ocean Great Harmony	Xiqing District, Tianjin	350	290	47	100.00%
		Ocean Prospect	Dongli District, Tianjin	321	309	50	100.00%
		Royal River	Wuqing District, Tianjin	349	333	22	100.00%
		Sino-Fusion Baodi Logistics Park	Baodi District, Tianjin	32	–	32	49.00%
		Sino-Ocean Brilliant Courtyard	Binhai New Area, Tianjin	675	488	208	64.28%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	122	6.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	42.86%
				<b>9,207</b>	<b>7,269</b>	<b>4,691</b>	

## Sino-Ocean Group Holding Limited

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Stock Code : 03377

Regions	Cities	Projects	Districts	Approximate total GFA (/000 sq.m.)	Approximate total saleable GFA (/000 sq.m.)	Remaining landbank (/000 sq.m.)	Interest attributable to the Group (%)
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	1,064	100.00%
		Glory Mansion	Shahekou District, Dalian	36	25	36	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	186	51.00%
		Ocean The Piedmont Epoch	Lushunkou District, Dalian	68	46	31	100.00%
		Ocean Worldview	Jinzhou District, Dalian	1,902	1,645	353	100.00%
		Sino-Ocean Technopole	Jinzhou District, Dalian	922	540	922	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				<b>4,725</b>	<b>3,803</b>	<b>2,703</b>	
	Jinan	Beihu Plot A-6, Tianqiao District	Tianqiao District, Jinan	97	83	97	60.00%
		Jing 11 Road Plot B4, Huaiyin District	Huaiyin District, Jinan	103	87	103	95.00%
		Ocean Epoch	Lixia District, Jinan	390	371	318	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	228	54.35%
		Plots in East of Tangye Middle Road and South of Hengsi Road	Licheng District, Jinan	544	422	544	42.00%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	379	60.31%
		Zhaojiashuang Project, Licheng District	Licheng District, Jinan	226	172	226	20.52%
				<b>1,967</b>	<b>1,580</b>	<b>1,895</b>	
	Qingdao	Ocean Crown	Fushan New District, Qingdao	125	95	123	59.50%
		Ocean Great Harmony	Shibei District, Qingdao	377	270	377	43.00%
				<b>502</b>	<b>365</b>	<b>500</b>	
	Shenyang	Ocean Elite River Prospect	Shenbei District, Shenyang	400	313	400	60.00%
	Yantai	Sino-Ocean Donglai County	Laishan District, Yantai	43	42	14	100.00%
				<b>16,844</b>	<b>13,372</b>	<b>10,203</b>	
Eastern Region	Shanghai	Chongming Dongtan Project	Chongming District, Shanghai	1,072	672	832	41.03%
		Hongqiao Origin	Qingpu District, Shanghai	75	53	75	60.00%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	20	100.00%
		Ocean Melody	Pudong New Area, Shanghai	323	279	55	100.00%
		Wellness Masterpiece	Qingpu District, Shanghai	49	41	16	50.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	24.12%
				<b>1,632</b>	<b>1,090</b>	<b>1,052</b>	
	Suzhou	Easy Town	Huqiu District, Suzhou	104	85	21	16.50%
		Mansion Yue	Wujiang District, Suzhou	150	147	72	70.00%
		Ocean Melody	Taicang City, Suzhou	105	77	92	34.00%
		Rocker Park	Huqiu District, Suzhou	240	198	240	30.00%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
		Taicang Shaxi Logistics Project I	Taicang City, Suzhou	56	–	56	16.66%
		Taicang Shaxi Logistics Project II	Taicang City, Suzhou	124	–	124	49.00%
		Zhangjiagang Internet Data Center	Zhangjiagang City, Suzhou	24	–	24	49.00%
		Zhangjiagang Logistics Project	Zhangjiagang City, Suzhou	59	–	59	16.66%
				<b>911</b>	<b>507</b>	<b>737</b>	

## Sino-Ocean Group Holding Limited

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Regions	Cities	Projects	Districts	Approximate total GFA (/000 sq.m.)	Approximate total saleable GFA (/000 sq.m.)	Remaining landbank (/000 sq.m.)	Interest attributable to the Group (%)
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	196	50.00%
		Meicun Plot, Xinwu District	Xinwu District, Wuxi	211	154	211	20.00%
		Scenery Mansion	Yixing City, Wuxi	109	79	109	100.00%
		Taihu Milestone (formerly known as Yuqin Project)	Xinwu District, Wuxi	116	93	6	80.00%
				<b>632</b>	<b>483</b>	<b>522</b>	
	Nanjing	Ocean Landscape	Jiangning District, Nanjing	147	121	31	70.00%
		Ocean Seasons	Lishui District, Nanjing	234	184	50	100.00%
		Sino-Ocean Tangyue Landscape	Liuhe District, Nanjing	54	52	30	100.00%
		The One	Jiangning District, Nanjing	213	153	213	60.00%
				<b>648</b>	<b>510</b>	<b>324</b>	
	Hangzhou	Canal Business Center Project	Gongshu District, Hangzhou	609	292	10	60.00%
		Jiulongwan Project	West Lake District, Hangzhou	20	–	20	100.00%
		Neo 1	Gongshu District, Hangzhou	43	40	21	50.00%
		Ocean New Masterpiece	Gongshu District, Hangzhou	44	33	44	51.00%
		Ocean River Masterpiece	Yuhang District, Hangzhou	107	73	13	51.00%
		Xixi Mansion	Yuhang District, Hangzhou	395	285	177	100.00%
				<b>1,218</b>	<b>723</b>	<b>285</b>	
	Jiaxing	East Lake	Haining City, Jiaxing	109	73	109	33.00%
		Lakeside Wonderland	Xiuzhou District, Jiaxing	134	124	31	33.00%
		Ocean Lake Mansion	Haining City, Jiaxing	91	69	9	100.00%
		Pinghu Logistics Project	Pinghu City, Jiaxing	72	–	72	16.10%
		Ultimate Joy Mansion	Jiashan County, Jiaxing	122	106	18	30.00%
		Zhapu Logistics Center	Pinghu City, Jiaxing	44	–	44	27.82%
				<b>572</b>	<b>372</b>	<b>283</b>	
	Wenzhou	Harbor Heart	Ouhai District, Wenzhou	87	66	87	84.70%
		Ocean Century Mansion	Longwan District, Wenzhou	153	107	22	100.00%
		Shan Hai One	Leqing City, Wenzhou	123	100	123	100.00%
				<b>363</b>	<b>273</b>	<b>232</b>	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	34.30%
	Yangzhou	Grand Canal Milestone	Guangling District, Yangzhou	56	43	56	89.00%
		Sino-Ocean Grand Canal Milestone	Guangling District, Yangzhou	63	47	63	100.00%
				<b>119</b>	<b>90</b>	<b>119</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (/000 sq.m.)	Approximate total saleable GFA (/000 sq.m.)	Remaining landbank (/000 sq.m.)	Interest attributable to the Group (%)
	Chuzhou	Ocean Mansion	Chahe Town, Chuzhou	108	82	108	30.00%
	Ningbo	Sino-Fusion Yuyao Simen Logistics Park	Yuyao City, Ningbo	56	–	56	28.21%
	Changzhou	Sky Peninsula	Yanshan New Area, Changzhou	106	76	26	40.00%
	Shaoxing	Ocean Yue Masterpiece	Keqiao District, Shaoxing	91	71	2	100.00%
				<b>6,591</b>	<b>4,277</b>	<b>3,881</b>	
Southern Region	Shenzhen	Lishan Project	Nanshan District, Shenzhen	156	70	156	60.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	145	84.70%
		Ocean Palace	Nanshan District, Shenzhen	196	82	148	63.25%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	77	60.00%
		Sino-Ocean Dream Land	Longgang District, Shenzhen	401	292	10	100.00%
				<b>1,957</b>	<b>1,215</b>	<b>1,069</b>	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	1,039	75.00%
		King Realm	Dongsheng Town, Zhongshan	181	134	7	75.00%
		Leader Mountain	Wuguishan Town, Zhongshan	187	137	42	50.00%
		Ocean City	Eastern District, Zhongshan	2,083	1,736	94	100.00%
		Ocean Emerald	Nantou Town, Zhongshan	437	412	49	100.00%
		Ocean Longshire	Henglan Town, Zhongshan	96	85	13	100.00%
		SCity (formerly known as Suixicun 162 Project, Nantou)	Nantou Town, Zhongshan	90	68	90	34.00%
		SCity (formerly known as Suixicun 163 Project, Nantou)	Nantou Town, Zhongshan	34	26	34	34.00%
		Sino-Ocean Aristocratic Family	Eastern District, Zhongshan	103	78	25	24.50%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	210	51.00%
		Zhonghui City (formerly known as Suixicun 135 Project, Nantou)	Nantou Town, Zhongshan	43	33	43	34.00%
		Zhonghui City (formerly known as Suixicun 136 Project, Nantou)	Nantou Town, Zhongshan	83	62	29	30.00%
		Zhonghui City (formerly known as Suixicun 137 Project, Nantou)	Nantou Town, Zhongshan	107	102	64	45.00%
				<b>4,826</b>	<b>4,069</b>	<b>1,739</b>	
	Zhanjiang Guangzhou	Ocean City	Xiashan District, Zhanjiang	612	493	460	67.50%
		East Bay	Zengcheng District, Guangzhou	141	96	141	40.00%
		Elite Palace	Tianhe District, Guangzhou	310	279	41	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	118	51.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	133	100.00%
		Purple Cloud	Baiyun District, Guangzhou	285	198	14	16.66%
				<b>1,048</b>	<b>756</b>	<b>447</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (/000 sq.m.)	Approximate total saleable GFA (/000 sq.m.)	Remaining landbank (/000 sq.m.)	Interest attributable to the Group (%)
	Fuzhou	East Bay	Mawei District, Fuzhou	82	65	82	50.00%
		East Bay Upgrade	Mawei District, Fuzhou	51	42	51	33.50%
		Plot 2020-65, Cangshan District	Cangshan District, Fuzhou	128	97	128	51.00%
		Sino-Ocean Landscape	Mawei District, Fuzhou	89	74	89	55.00%
				<b>350</b>	<b>278</b>	<b>350</b>	
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	176	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	131	100.00%
				<b>307</b>	<b>234</b>	<b>307</b>	
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	299	51.00%
	Zhangzhou	Sea and Star	Longwen District, Zhangzhou	266	210	266	51.00%
		Sino-Ocean Scenery	Zhao'an County, Zhangzhou	81	79	15	70.00%
				<b>347</b>	<b>289</b>	<b>281</b>	
	Longyan	Sino-Ocean Landscape	Xinluo District, Longyan	203	160	203	51.00%
	Foshan	Delight River	Sanshui District, Foshan	207	192	64	50.00%
		Elite Palace	Sanshui District, Foshan	259	191	107	100.00%
				<b>466</b>	<b>383</b>	<b>171</b>	
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	75	100.00%
	Hong Kong	LP6	Tseung Kwan O, Hong Kong	137	136	37	40.00%
		Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
		Uptify	Yau Tsim Mong District, Hong Kong	3	3	3	100.00%
				<b>143</b>	<b>142</b>	<b>43</b>	
	Xiamen	The Only One	Xiang'an District, Xiamen	52	35	9	50.00%
		Top Mansion	Xiang'an District, Xiamen	75	53	24	50.00%
				<b>127</b>	<b>88</b>	<b>33</b>	
				<b>10,862</b>	<b>8,467</b>	<b>5,477</b>	
Central Region	Wuhan	Citylane	Hanyang District, Wuhan	450	–	450	40.25%
		Dongxihu Logistics Project	Dongxihu District, Wuhan	47	–	47	28.21%
		Heart of Hankow	Jiangnan District, Wuhan	1,054	997	404	55.90%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	49.00%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	983	40.25%
		Yanyangtian Project, Jiang'an District	Jiang'an District, Wuhan	178	80	178	70.00%
				<b>3,735</b>	<b>2,507</b>	<b>2,151</b>	

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Regions	Cities	Projects	Districts	Approximate total GFA (/000 sq.m.)	Approximate total saleable GFA (/000 sq.m.)	Remaining landbank (/000 sq.m.)	Interest attributable to the Group (%)
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	28.26%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	204	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	43	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	169	38.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	156	17.84%
				<b>920</b>	<b>721</b>	<b>920</b>	
	Changsha Hefei	Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
		Metropolis 1907	Binhu New Area, Hefei	322	242	170	25.00%
		Ocean Glory	Feidong County, Hefei	197	186	107	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	154	59.29%
				<b>719</b>	<b>608</b>	<b>431</b>	
	Nanchang	Ocean Palace	Wanli District, Nanchang	173	122	162	51.00%
				<b>6,029</b>	<b>4,342</b>	<b>4,146</b>	
Western Region	Chengdu	Foothill City	Longquanyi District, Chengdu	320	263	320	8.00%
		Ocean Habitat	Chongzhou City, Chengdu	123	98	113	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	122	106	122	24.26%
		Ocean Sky Glory	Jinniu District, Chengdu	71	38	71	7.35%
		Qingbaijiang Internet Data Center	Qingbaijiang District, Chengdu	193	–	193	24.01%
		Qingbaijiang Logistics Project	Qingbaijiang District, Chengdu	276	–	276	28.21%
		Royal Mansion	Pidu District, Chengdu	139	99	139	36.75%
		Sino-Ocean Taikoo Li Chengdu	Jinjiang District, Chengdu	417	362	126	50.00%
		Yuanyunxinfei Internet Data Center	Qingbaijiang District, Chengdu	38	–	38	24.01%
				<b>1,699</b>	<b>966</b>	<b>1,398</b>	
	Xi'an	Emperor Chic	Weiyang District, Xi'an	321	316	321	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Qinhan Logistics Center	Xianyang City, Xi'an	67	–	67	27.82%
		Sino-Ocean Jinghe New Town Internet Data Center	Xixian New Area, Xi'an	60	–	60	49.00%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	292	56.00%
				<b>887</b>	<b>635</b>	<b>887</b>	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	102	24.26%
		Fontaine Island	Nan'an District, Chongqing	178	132	178	24.50%
		Jiangjin Logistics Project	Jiangjin District, Chongqing	60	–	60	16.66%
		Liangjiang New Town Internet Data Center	Liangjiang New Area, Chongqing	40	–	40	49.00%
		Ocean City (formerly known as Gaomiao Project, Julongpo)	Jiulongpo District, Chongqing	126	125	95	50.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	119	60	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	192	42.50%
		Tanzikou Plot, Jiulongpo District	Jiulongpo District, Chongqing	52	37	52	34.00%
				<b>1,316</b>	<b>964</b>	<b>779</b>	

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Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	142	39.80%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	39.80%
		Sino-Ocean Esthetics Mansion	Panlong District, Kunming	164	145	125	37.15%
				<b>485</b>	<b>451</b>	<b>366</b>	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	165	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	53	89.80%
				<b>265</b>	<b>210</b>	<b>218</b>	
				<b>4,652</b>	<b>3,226</b>	<b>3,648</b>	
Other Region	Indonesia	Alam Sutera Project	Greater Jakarta, Indonesia	66	57	66	28.00%
	Singapore	Cairnhill 16	Area 9, Singapore	4	4	4	30.00%
				<b>70</b>	<b>61</b>	<b>70</b>	
<b>Total</b>				<b>57,502</b>	<b>42,924</b>	<b>38,043</b>	

## Property investment

In 2020, revenue from property investment decreased by 27% to RMB494 million (2019: RMB678 million), which was mainly due to the adverse impact caused by the novel coronavirus pandemic. As at 31 December 2020, the Group held more than 18 operating investment properties, in which the majority were office units.

The investment properties of the Group and its joint ventures and associates as at 31 December 2020 is set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Logistics projects (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	82%	100%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	91%	72%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	91%	100%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	90%	100%
Other projects		90,000	–	41,000	–	49,000		
Subtotal		258,000	109,000	78,000	–	71,000		
<b>Other</b>								
China Life Financial Center (Beijing)	Chaoyang District, Beijing	111,000	111,000	–	–	–	48%	10%
Diamond Plaza (Beijing)	Haidian District, Beijing	22,000	20,000	–	–	2,000	100%	24%
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	91%	69%
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	83%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	87%	35%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	107,000	81,000	12,000	–	14,000	88%	50%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	–	97%	64%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	70%	69%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	97%	64%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	48%	24%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	71%	28%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	64,000	46,000	4,000	–	14,000	81%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	69,000	–	68,000	–	1,000	92%	60%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	Jinjiang District, Chengdu	174,000	–	84,000	–	90,000	95%	50%
Other projects		882,000	224,000	81,000	444,000	133,000		
Subtotal		1,888,000	711,000	383,000	444,000	350,000		
<b>Total</b>		<b>2,146,000</b>	<b>820,000</b>	<b>461,000</b>	<b>444,000</b>	<b>421,000</b>		

## Change of company logo

To further develop the Company's brand cognition, the Company has recently enhanced the Company logo to allow better recognition of the Group's pursuance of quality of residential and integrated development, property development and operation, business collaboration and customer service.

The audited consolidated results of the Group for the year ended 31 December 2020 are as follows:

## Consolidated Balance Sheet

		<b>As at 31 December</b>	
		<b>2020</b>	<b>2019</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,475,703</b>	1,775,320
Right-of-use assets		<b>140,286</b>	190,869
Land use rights		<b>177,320</b>	180,566
Intangible assets		<b>108,746</b>	29,582
Goodwill		<b>147,415</b>	195,708
Investment properties		<b>12,055,798</b>	13,328,198
Investments in joint ventures		<b>21,218,447</b>	17,355,309
Investments in associates		<b>6,696,748</b>	6,846,347
Financial assets at fair value through other comprehensive income		<b>6,751,919</b>	2,715,647
Financial assets at fair value through profit or loss		<b>5,063,770</b>	6,446,074
Trade and other receivables and prepayments	5	<b>12,289,424</b>	12,841,234
Deferred income tax assets		<b>1,772,655</b>	1,439,498
<b>Total non-current assets</b>		<b>68,898,231</b>	63,344,352
<b>Current assets</b>			
Prepayments for land use rights		–	2,228,844
Properties under development		<b>74,718,502</b>	60,378,181
Inventories, at cost		<b>667,794</b>	457,001
Land development cost recoverable		<b>1,268,872</b>	1,234,217
Completed properties held for sale		<b>18,074,742</b>	18,353,178
Financial assets at fair value through profit or loss		<b>11,160</b>	266,304
Trade and other receivables and prepayments	5	<b>51,197,152</b>	61,163,136
Contract assets		<b>923,600</b>	2,708,018
Restricted bank deposits		<b>4,799,837</b>	2,511,683
Cash and cash equivalents		<b>39,129,442</b>	31,054,201
<b>Total current assets</b>		<b>190,791,101</b>	180,354,763
<b>Total assets</b>		<b>259,689,332</b>	243,699,115

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

		<b>As at 31 December</b>	
		<b>2020</b>	<b>2019</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Capital		<b>27,329,232</b>	27,329,232
Shares held for Restricted Share Award Scheme		<b>(179,840)</b>	(167,227)
Reserves		<b>400,974</b>	(1,132,536)
Retained earnings		<b>26,098,570</b>	23,877,717
		<b>53,648,936</b>	49,907,186
<b>Non-controlling interests</b>		<b>16,256,391</b>	15,703,909
<b>Total equity</b>		<b>69,905,327</b>	65,611,095
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		<b>56,269,855</b>	74,611,619
Lease liabilities		<b>97,418</b>	130,257
Trade and other payables	6	<b>18,269</b>	18,581
Deferred income tax liabilities		<b>3,312,966</b>	2,946,869
<b>Total non-current liabilities</b>		<b>59,698,508</b>	77,707,326
<b>Current liabilities</b>			
Borrowings		<b>25,933,873</b>	9,295,332
Lease liabilities		<b>50,513</b>	64,223
Trade and other payables	6	<b>57,527,155</b>	55,010,743
Contract liabilities		<b>34,318,360</b>	25,458,320
Income tax payable		<b>12,065,543</b>	10,500,972
Financial liabilities at fair value through profit or loss		<b>190,053</b>	51,104
<b>Total current liabilities</b>		<b>130,085,497</b>	100,380,694
<b>Total liabilities</b>		<b>189,784,005</b>	178,088,020
<b>Total equity and liabilities</b>		<b>259,689,332</b>	243,699,115

## Consolidated Income Statement

	Note	Year ended 31 December	
		2020 RMB'000	2019 RMB'000
Revenue	4	56,510,626	50,926,490
Cost of sales	7	(46,053,384)	(40,704,418)
<b>Gross profit</b>		<b>10,457,242</b>	10,222,072
Interest and other income		2,393,988	2,770,938
Other gains — net	8	1,334,593	698,520
Fair value (losses)/gains on investment properties		(156,045)	373,381
Selling and marketing expenses	7	(1,293,120)	(1,270,120)
Administrative expenses	7	(1,815,995)	(1,919,326)
<b>Operating profit</b>		<b>10,920,663</b>	10,875,465
Finance costs	9	(2,110,906)	(2,393,714)
Share of results of joint ventures		982,999	1,519,370
Share of results of associates		257,558	415,361
<b>Profit before income tax</b>		<b>10,050,314</b>	10,416,482
Income tax expense	10	(5,367,439)	(6,250,215)
<b>Profit for the year</b>		<b>4,682,875</b>	4,166,267
<b>Attributable to:</b>			
Owners of the Company		2,866,283	2,656,277
Non-controlling interests		1,816,592	1,509,990
		<b>4,682,875</b>	4,166,267
<b>Earnings per share attributable to owners of the Company during the year</b> (expressed in RMB)			
<b>Basic earnings per share</b>	11	<b>0.376</b>	0.349
<b>Diluted earnings per share</b>	11	<b>0.376</b>	0.349

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## Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
<b>Profit for the year</b>	<b>4,682,875</b>	<b>4,166,267</b>
<b>Other comprehensive income</b>		
<b>Items that will not be re classified subsequently to profit or loss</b>		
Fair value (losses)/gains on financial assets at fair value through other comprehensive income, net of tax	(20,609)	25,794
<b>Items that may be reclassified to profit or loss</b>		
Fair value gains on property, plant and equipment transferred to investment properties	–	17,808
Currency translation differences	760,361	108,282
Deferred hedging gains and losses	(62,017)	–
<b>Other comprehensive income for the year</b>	<b>677,735</b>	<b>151,884</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>5,360,610</b>	<b>4,318,151</b>
<b>Total comprehensive income attributable to:</b>		
— Owners of the Company	3,552,705	2,497,211
— Non-controlling interests	1,807,905	1,820,940
	<b>5,360,610</b>	<b>4,318,151</b>

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Sino-Ocean Group Holding 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 23 March 2021.

Following the outbreak of Coronavirus Disease 2019 (the “COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across China. COVID-19 affected the financial performance and position of the industry of real estate including the construction and delivery of properties, rental revenue and occupancy rate of investment properties, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group. As at the date that the consolidated financial statements are authorised for issue, COVID-19 doesn’t have any material adverse impact on the financial position and operating result of the Group.

## 2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”)) in this announcement are not specified financial statements (within such meaning). The specified financial statements for the year ended 31 December 2019 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 662(3) of, and Part 3 of the Schedule 6 to, the Companies Ordinance. The specified financial statements for the year ended 31 December 2020 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with 662(3) of, and Part 3 of the Schedule 6 to, the Companies Ordinance. Auditor’s reports have been prepared on the specified financial statements for the years ended 31 December 2019 and 2020. Those reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain statements under sections 406(2) or 407(2) or (3) of the Companies Ordinance.



### 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 group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- *Definition of Material — amendments to HKAS 1 and HKAS 8*
- *Definition of a Business — amendments to HKFRS 3*
- *Interest Rate Benchmark Reform — amendments to HKFRS 9, HKAS 39 and HKFRS 7*
- *Revised Conceptual Framework for Financial Reporting*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) *New standards and interpretations not yet adopted by the Group*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating committee (the “Committee”) that are used to make strategic decisions.

The Committee considers the business from both a geographic and product perspective. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically.

Other operations as carried out by the Group mainly include property management services, property sales agency services, as well as upfitting services. These are not included within the reportable operating segments, as they are not included in the reports provided to the Committee. The results of these operations are included in the “All other segments” column.

The Committee assesses the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the Committee, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any unrealized gains/losses from investments in joint ventures and associates as well as fair value gains/losses from investment properties and corporate overheads. Other information provided to the Committee, except as noted below, is measured in a manner consistent with that in the financial statements.

Total segment assets exclude corporate cash and cash equivalents, investments in joint ventures and associates, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude borrowings, deferred income tax liabilities and financial liabilities at fair value through profit or loss, all of which are managed on a central basis as well. These are part of the reconciliation to total balance sheet assets and liabilities.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Committee is measured in a manner consistent with that in the consolidated income statement.

The segment information provided to the Committee for the reportable segments for the years ended 31 December 2020 and 2019 is as follows:

	Property development						Investment property	All other segments	Total
	Beijing RMB'000	Bohai Rim Region RMB'000	Eastern China RMB'000	Southern China RMB'000	Central China RMB'000	Western China RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2020</b>									
Total revenue	5,498,635	7,537,069	16,055,887	8,850,958	8,031,296	3,673,354	503,070	10,333,100	60,483,369
Inter-segment revenue	-	(29,762)	-	-	-	-	(9,374)	(3,933,607)	(3,972,743)
<b>Revenue (from external customers)</b>	<b>5,498,635</b>	<b>7,507,307</b>	<b>16,055,887</b>	<b>8,850,958</b>	<b>8,031,296</b>	<b>3,673,354</b>	<b>493,696</b>	<b>6,399,493</b>	<b>56,510,626</b>
<b>Segment operating profit</b>	<b>655,830</b>	<b>2,300,445</b>	<b>2,712,843</b>	<b>1,342,111</b>	<b>957,140</b>	<b>243,170</b>	<b>312,774</b>	<b>2,033,037</b>	<b>10,557,350</b>
Depreciation and amortization	(15,696)	(528)	(282)	(6,758)	(1,550)	(3,585)	(438)	(120,112)	(148,949)
<b>Year ended 31 December 2019</b>									
Total revenue	6,239,431	11,554,307	8,756,308	10,753,054	3,785,238	2,031,744	696,250	11,149,096	54,965,428
Inter-segment revenue	(1,031)	(238)	-	(18,518)	-	-	(18,077)	(4,001,074)	(4,038,938)
<b>Revenue (from external customers)</b>	<b>6,238,400</b>	<b>11,554,069</b>	<b>8,756,308</b>	<b>10,734,536</b>	<b>3,785,238</b>	<b>2,031,744</b>	<b>678,173</b>	<b>7,148,022</b>	<b>50,926,490</b>
<b>Segment operating profit</b>	<b>552,761</b>	<b>2,429,396</b>	<b>928,427</b>	<b>2,796,985</b>	<b>272,810</b>	<b>231,966</b>	<b>290,719</b>	<b>2,967,479</b>	<b>10,470,543</b>
Depreciation and amortization	(15,100)	(2,396)	(3,890)	(6,051)	(281)	(492)	(475)	(237,843)	(266,528)
<b>As at 31 December 2020</b>									
<b>Total segment assets</b>	<b>23,829,030</b>	<b>25,071,789</b>	<b>26,666,760</b>	<b>29,019,396</b>	<b>16,134,961</b>	<b>5,288,440</b>	<b>11,725,479</b>	<b>80,000,922</b>	<b>217,736,777</b>
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,169	1,006	41	1,456	1,256	1,060	271,081	885,628	1,162,697
<b>Total segment liabilities</b>	<b>13,415,767</b>	<b>20,901,800</b>	<b>15,995,054</b>	<b>16,635,162</b>	<b>8,117,380</b>	<b>3,271,978</b>	<b>1,439,601</b>	<b>24,300,516</b>	<b>104,077,258</b>
<b>As at 31 December 2019</b>									
<b>Total segment assets</b>	<b>23,309,429</b>	<b>19,037,321</b>	<b>27,147,888</b>	<b>19,627,381</b>	<b>7,602,302</b>	<b>6,912,262</b>	<b>13,968,275</b>	<b>88,409,442</b>	<b>206,014,300</b>
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,198	513	2,269	1,634	631	122	829,306	2,015,760	2,853,433
<b>Total segment liabilities</b>	<b>9,825,876</b>	<b>14,728,753</b>	<b>16,909,639</b>	<b>9,102,388</b>	<b>2,193,862</b>	<b>3,075,154</b>	<b>691,947</b>	<b>34,655,477</b>	<b>91,183,096</b>

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

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Segment operating profit	<b>10,557,350</b>	10,470,543
Corporate finance income	<b>59,663</b>	71,177
Corporate overheads	<b>(874,898)</b>	(738,156)
Fair value (losses)/gains on investment properties	<b>(156,045)</b>	373,381
Other gains — net (Note 8)	<b>1,334,593</b>	698,520
Finance costs (Note 9)	<b>(2,110,906)</b>	(2,393,714)
Share of results of joint ventures	<b>982,999</b>	1,519,370
Share of results of associates	<b>257,558</b>	415,361
<b>Profit before income tax</b>	<b>10,050,314</b>	10,416,482

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

	<b>As at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Total segment assets	<b>217,736,777</b>	206,014,300
Corporate cash and cash equivalents	<b>437,856</b>	2,615,636
Investments in joint ventures	<b>21,218,447</b>	17,355,309
Investments in associates	<b>6,696,748</b>	6,846,347
Financial assets at fair value through other comprehensive income	<b>6,751,919</b>	2,715,647
Financial assets at fair value through profit or loss	<b>5,074,930</b>	6,712,378
Deferred income tax assets	<b>1,772,655</b>	1,439,498
<b>Total assets per consolidated balance sheet</b>	<b>259,689,332</b>	243,699,115
Total segment liabilities	<b>104,077,258</b>	91,183,096
Current borrowings	<b>25,933,873</b>	9,295,332
Non-current borrowings	<b>56,269,855</b>	74,611,619
Deferred income tax liabilities	<b>3,312,966</b>	2,946,869
Financial liabilities at fair value through profit or loss	<b>190,053</b>	51,104
<b>Total liabilities per consolidated balance sheet</b>	<b>189,784,005</b>	178,088,020

For the year ended 31 December 2020, included in the revenue of sales of properties, RMB44,378,836,000 was recognised as a point in time, RMB5,238,601,000 was recognised over the time.

The Company is incorporated in Hong Kong, with most of its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2020 and 2019.

As at 31 December 2020, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB42,772,506,000(2019: RMB38,178,235,000), the total of these non-current assets located in Hong Kong is RMB6,536,000 (2019: 431,394,000) and in the United States is RMB241,421,000 (2019: RMB1,292,270,000).

For the year ended 31 December 2020 and 2019, the Group does not have any single customer with the transaction value over 10% of the total external sales.

## 5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December 2020 RMB'000	As at 31 December 2019 RMB'000
Trade receivables (a)	4,224,342	3,983,044
Other receivables and prepayments (b)	59,262,234	70,021,326
	<b>63,486,576</b>	74,004,370
Less: non-current portion	<b>(12,289,424)</b>	(12,841,234)
Current portion	<b>51,197,152</b>	61,163,136

### (a) Trade receivables

	As at 31 December 2020 RMB'000	2019 RMB'000
Trade receivables	4,373,540	4,115,976
Less: provision for impairment of trade receivables	<b>(149,198)</b>	(132,932)
	<b>4,224,342</b>	3,983,044
Less: non-current portion	–	–
Current portion	<b>4,224,342</b>	3,983,044

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

	As at 31 December 2020 RMB'000	2019 RMB'000
Within 6 months	2,765,858	2,331,900
Between 6 months to 1 year	865,767	976,052
Between 1 year to 2 years	606,844	609,144
Between 2 years to 3 years	80,743	146,346
Over 3 years	54,328	52,534
	<b>4,373,540</b>	4,115,976

As at 31 December 2020, no trade receivables (2019: nil) were pledged as collateral for the Group's borrowings.

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

	<b>As at 31 December</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	<b>RMB'000</b>
At 1 January	<b>(132,932)</b>	(113,315)
Provision for receivable impairment	<b>(46,963)</b>	(20,189)
Write-off	<b>30,697</b>	572
At 31 December	<b><u>(149,198)</u></b>	<u>(132,932)</u>

**(b) Other receivables and prepayments**

	<b>As at 31 December</b>					
	<b>2020</b>			<b>2019</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Entrusted loans to third parties	749,767	1,027,967	1,777,734	189,204	459,385	648,589
Entrusted loans to joint ventures	708,680	5,659,756	6,368,436	1,327,399	8,475,766	9,803,165
Entrusted loans to associates	160,384	3,434,933	3,595,317	725,589	706,156	1,431,745
Entrusted loans to non-controlling interests	312,700	325,000	637,700	512,700	325,000	837,700
Amounts due from third parties	1,998,467	-	1,998,467	1,688,936	-	1,688,936
Amounts due from joint ventures	18,329,200	-	18,329,200	18,654,638	-	18,654,638
Amounts due from associates	2,944,124	-	2,944,124	8,901,985	-	8,901,985
Amounts due from non-controlling interests	5,215,269	-	5,215,269	8,202,536	-	8,202,536
Tax prepayments	6,398,941	199,626	6,598,567	5,446,496	403,286	5,849,782
Receivables from government	2,702,459	-	2,702,459	2,516,377	-	2,516,377
Payment for the cooperation of potential properties development projects	2,048,222	1,025,010	3,073,232	3,916,922	2,260,317	6,177,239
Receivables from disposal of interest in subsidiaries	1,018,951	-	1,018,951	972,977	-	972,977
Other prepayments	1,304,815	417,132	1,721,947	1,709,832	-	1,709,832
Other receivables	3,303,168	200,000	3,503,168	2,612,934	259,253	2,872,187
Less: provision for impairment of other receivables	(222,337)	-	(222,337)	(198,433)	(47,929)	(246,362)
Other receivables and prepayments	<b><u>46,972,810</u></b>	<b><u>12,289,424</u></b>	<b><u>59,262,234</u></b>	<b><u>57,180,092</u></b>	<b><u>12,841,234</u></b>	<b><u>70,021,326</u></b>

The carrying amounts of trade and other receivables and prepayments approximate their respective fair values as at 31 December 2020 and 2019.

## 6 TRADE AND OTHER PAYABLES

	<b>As at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables (i)	<b>19,685,589</b>	17,789,750
Accrued expenses	<b>6,915,241</b>	3,308,010
Amounts due to joint ventures (ii)	<b>7,979,029</b>	8,791,353
Amounts due to associates (ii)	<b>2,462,410</b>	3,179,119
Amounts due to non-controlling interests (ii)	<b>4,419,311</b>	8,247,547
Amounts due to government	<b>135,416</b>	77,627
Other taxes payable	<b>3,185,649</b>	3,787,197
Deposits received	<b>7,324,472</b>	2,924,384
Other payables	<b>5,438,307</b>	6,924,337
	<b>57,545,424</b>	55,029,324
Less: non-current portion	<b>(18,269)</b>	(18,581)
Current portion	<b>57,527,155</b>	55,010,743

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

- (i) An ageing analysis of the trade payables (including amounts due to related parties of trading in nature) is as follows:

	<b>As at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 6 months	<b>9,548,134</b>	7,067,779
Between 6 months to 12 months	<b>3,819,304</b>	3,652,058
Between 1 year to 2 years	<b>4,728,907</b>	4,711,607
Between 2 years to 3 years	<b>1,085,312</b>	1,819,411
Over 3 years	<b>503,932</b>	538,895
	<b>19,685,589</b>	17,789,750

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

## 7 EXPENSES BY NATURE

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

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cost of properties and land use rights sold:		
— Land use rights	<b>18,192,150</b>	14,347,125
— Capitalized interest	<b>4,420,866</b>	4,992,252
— Construction related cost	<b>17,930,857</b>	14,805,832
Cost of up fitting services rendered	<b>2,895,285</b>	3,674,757
Direct investment property expenses	<b>71,203</b>	128,030
Employee benefit expense	<b>1,742,316</b>	1,829,689
Consultancy fee	<b>522,038</b>	435,839
Auditor's remuneration	<b>15,484</b>	11,650
— Audit services	<b>12,255</b>	8,850
— Non-audit services	<b>3,229</b>	2,800
Depreciation	<b>61,474</b>	96,380
Depreciation of right-of-use assets	<b>77,980</b>	153,292
Amortization of land use rights and intangible asset	<b>9,495</b>	16,856
Advertising and marketing	<b>1,074,244</b>	1,007,917
Business taxes and other levies	<b>364,455</b>	370,757
Impairment charges	<b>262,720</b>	601,695
Derecognition of goodwill	<b>78,037</b>	29,428
Office expenditure	<b>75,594</b>	179,158
Properties maintenance expenses	<b>895,891</b>	1,000,995
Energy expenses	<b>105,035</b>	160,328
Others	<b>367,375</b>	51,884
	<b>49,162,499</b>	43,893,864

## 8 OTHER GAINS — NET

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
(Losses)/gains on disposal of interests in subsidiaries	(338,396)	716,413
Gains on revaluation of financial assets and financial liabilities at fair value through profit or loss	486,219	228,937
(Losses)/gains on disposal of joint ventures and associates	(73,622)	108,018
Gains on deemed disposal of joint ventures and associates	64,072	107,513
Gains on disposal of financial assets at fair value through profit or loss	87,896	32,379
Exchange gains/(losses)	1,213,393	(408,843)
Payment for the settlement of contracted obligations	(107,918)	(79,903)
Gains/(losses) on disposal of property, plant and equipment	2,223	(4,821)
Gains on disposal of investment properties	—	865
Negative goodwill on business combinations	—	798
Other gains/(losses)	726	(2,836)
	<b>1,334,593</b>	<b>698,520</b>

## 9 FINANCE COSTS

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Interest expense:		
— Bank borrowings	1,027,805	1,346,499
— Other borrowings	3,792,991	3,817,131
— Lease Liabilities	11,117	72,222
Less: interest capitalized at a capitalization rate of 5.10% (2019: 5.50%) per annum	(2,721,007)	(2,842,138)
	<b>2,110,906</b>	<b>2,393,714</b>



## 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 2020 and 2019. Other Group entities are mainly subject to Hong Kong profits tax.

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

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax:		
— PRC enterprise income tax	<b>2,491,100</b>	3,082,775
— PRC land appreciation tax	<b>2,817,307</b>	3,714,711
Deferred income tax	<b>59,032</b>	(547,271)
	<b>5,367,439</b>	6,250,215

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:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit before income tax	<b>10,050,314</b>	10,416,482
Adjust for: Share of results of joint ventures	<b>(982,999)</b>	(1,519,370)
Share of results of associates	<b>(257,558)</b>	(415,361)
	<b>8,809,757</b>	8,481,751
Tax calculated at a tax rate of 25%	<b>2,202,439</b>	2,120,438
Effect of higher tax rate for the appreciation of land in the PRC	<b>2,112,980</b>	2,786,033
Income not subject to tax	<b>(17,239)</b>	(30,315)
Expenses not deductible for tax purposes	<b>760,560</b>	1,029,447
Tax losses not recognised	<b>442,972</b>	429,910
Utilization of previously unrecognised tax losses and expenses	<b>(360,610)</b>	(212,075)
Reversal of previously recognised deferred income tax assets	<b>92,679</b>	54,034
Deductible temporary differences not recognised	<b>60,619</b>	22,843
Dividend withholding tax	<b>73,039</b>	49,900
	<b>5,367,439</b>	6,250,215

## 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	
	2020	2019
Profit attributable to owners of the Company (RMB'000)	<b>2,866,283</b>	2,656,277
Profit used to determine basic earnings per share (RMB'000)	<b>2,866,283</b>	2,656,277
Weighted average number of ordinary shares in issue (thousands)	<b>7,616,096</b>	7,616,063
Basic earnings per share (RMB per share)	<b>0.376</b>	0.349

### (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 awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and awarded shares.

	Year ended 31 December	
	2020	2019
Profit attributable to owners of the Company (RMB'000)	<b>2,866,283</b>	2,656,277
Profit used to determine diluted earnings per share (RMB'000)	<b>2,866,283</b>	2,656,277
Weighted average number of ordinary shares in issue (thousands)	<b>7,616,096</b>	7,616,063
Adjustment for:		
— share options (thousands)	—	—
— shares held for the Restricted Share Award scheme (thousands)	—	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<b>7,616,096</b>	7,616,063
Diluted earnings per share (RMB per share)	<b>0.376</b>	0.349

## 12 DIVIDENDS

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interim dividend paid	<u>416,333</u>	<u>755,510</u>
Proposed final dividend of RMB0.075 (2019: RMB0.024) per ordinary share (a)	<u>571,207</u>	<u>181,298</u>

- (a) On 23 March 2021, the Company proposed a final dividend of RMB571,207,000 for the year ended 31 December 2020.

## **EVENTS AFTER THE REPORTING PERIOD**

The Group did not have material subsequent events after the reporting period.

## **PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS**

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2020 have been agreed upon by the Group's auditor, 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 Friday, 21 May 2021 the payment of a final dividend of RMB0.075 per ordinary share (equivalent to HKD0.090 per ordinary share, rounded to the nearest three decimal places) for the year ended 31 December 2020. The final dividend will be paid in cash. The final dividend is subject to the approval of the Shareholders at the AGM. The final dividend will be paid to the Shareholders whose names are standing in the register of members of ordinary shares of the Company on Wednesday, 26 May 2021. 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 Wednesday, 26 May 2021.

It is expected that the cheques for cash entitlement in relation to the 2020 final dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or around Friday, 2 July 2021.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Friday, 21 May 2021. The notice of AGM will be published and despatched to the Shareholders in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in due course.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of ordinary shares of the Company will be closed from Monday, 17 May 2021 to Friday, 21 May 2021 (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 Friday, 14 May 2021.

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

Save as disclosed in the paragraph 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 the 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 5,221,555 shares of the Company by way of acquisition at an aggregate consideration of approximately RMB14,830,985 (including transaction costs). Up to 31 December 2020, accumulated 154,806,297 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 RMB527,652,548 (including transaction costs), representing approximately 2.75% of the issued share capital of the Company as at the Adoption Date.

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

Date of award	Awarded Shares			Balance as at 31 December 2020
	Balance as at 1 January 2020	No. of shares awarded during the year	No. of shares vested during the year	
31 March 2017	657,450	–	(657,450)	–
20 March 2020	–	68,663,270	–	68,663,270
Total	657,450	68,663,270	(657,450)	68,663,270

## **CORPORATE GOVERNANCE**

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

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

Code provision A.1.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the year under review, the Board approved a connected transaction (the “Transaction”) by way of passing written resolutions in lieu of a physical board meeting, in respect of which a substantial shareholder of the Company and certain directors of the Company who were nominated by such substantial shareholder of the Company were regarded as having material interests. It is considered that the adoption of written resolutions in lieu of a physical board meeting allowed the Board to make decision in relation to the Transaction, which is immaterial to the Group as a whole, in a more efficient manner. Prior to the execution of the written resolutions, board papers regarding details and information, reasons of and benefits, as well as fairness of the Transaction were provided to all directors of the Company in advance for their review and consideration, and all directors of the Company had declared their interests in the matters (if any) in accordance with the articles of association of the Company and applicable laws. The directors of the Company who had material interests in the Transaction abstained from passing the written resolutions.

Further information of the Company’s corporate governance practices will be set out in the Corporate Governance Report of the Company’s 2020 Annual Report which will be sent to the Shareholders on or before 21 April 2021.

## **REVIEW OF FINANCIAL STATEMENTS**

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2020.

## **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](http://www.hkexnews.hk)) and that of the Company ([www.sinooceangroup.com](http://www.sinooceangroup.com)). The annual report for the year ended 31 December 2020 will be despatched to the Shareholders on or before 21 April 2021 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 deepest gratitude to all shareholders, investors, local authorities, business partners and customers who have been most supportive; also to our directors, management and the entire staff for their dedicated hard work. Our sustainable and stable development could not be achieved without their unreserved support.

By order of the Board  
**Sino-Ocean Group Holding Limited**  
**LI Ming**  
*Chairman*

Hong Kong, 23 March 2021

As at the date of this announcement, the Board of the Company comprises:

*Executive Directors:*

Mr. LI Ming  
Mr. WANG Honghui  
Mr. CUI Hongjie

*Non-executive Directors:*

Ms. HUANG Xiumei  
Mr. FU Fei  
Mr. HOU Jun  
Ms. LI Liling

*Independent non-executive Directors:*

Mr. HAN Xiaojing  
Mr. SUEN Man Tak  
Mr. WANG Zhifeng  
Mr. JIN Qingjun  
Ms. LAM Sin Lai Judy