

**Sino-Ocean
Service
2020 Annual
Results**



Being Understanding and Innovative

Overview



Highlights

Fast expansion of business scale

Contracted
GFA

71.1

mn sq.m.

GFA under
management

45.5

mn sq.m.

Contracted GFA
from third party
biddings

9.1

mn sq.m.

CAGR of total
reserved GFA¹

61.3%

Outstanding financial performance

Total revenue
RMB

2,023.3

mn

Gross profit
margin

25.3%

Core profit
margin²

12.4%

Core profit YoY

44.3%

Commercial properties based on accumulated strength

% of revenue from
commercial properties

26.9%

CAGR of contracted
GFA for commercial
properties³

31.4%

Gross profit of
commercial properties
YoY

30.5%

Average property
management fee for
commercial properties⁴

RMB **17.6**
/month/m²

Strong support from shareholders



¹ CAGR of 2017 to 2020

² After deducting ABS interest, foreign exchange gains or losses, listing expenses, relief on social insurance contribution, and changes in fair value of investment properties

³ CAGR of 2017 to 2020

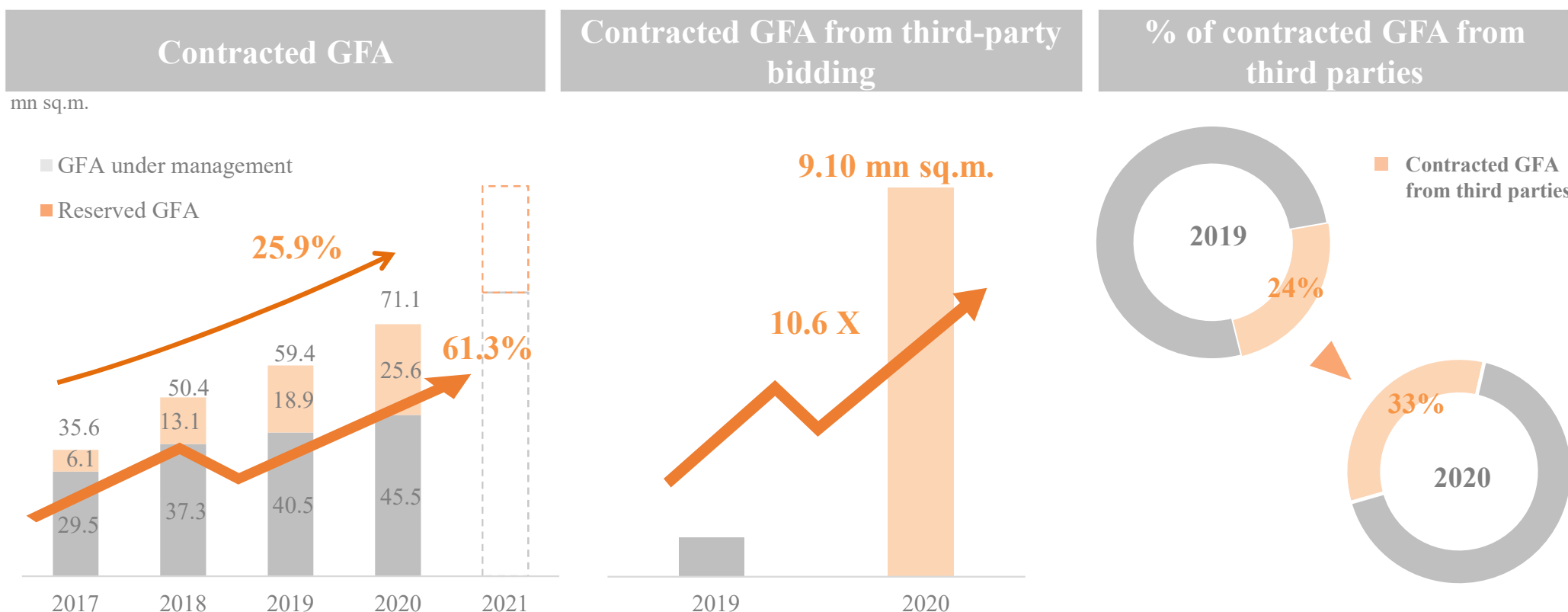
⁴ excluding Swire cooperation series



Performance Highlights

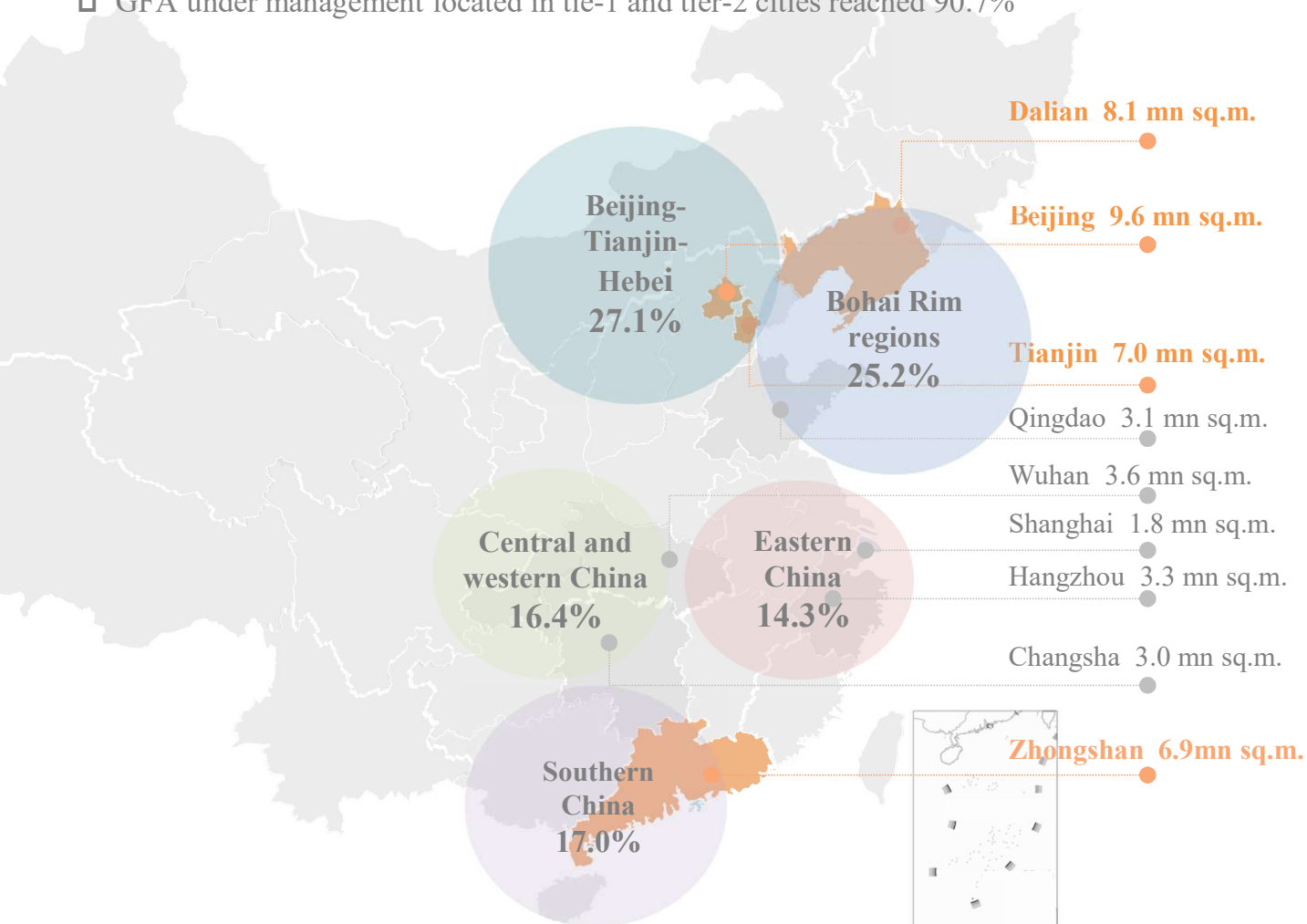
Rapid increase in reserved GFA

- In 2020, contracted GFA was 71.08 mn sq.m., GFA under management was 45.45 mn sq.m.; 2017-2020 CAGR of reserved GFA was 61.3% .
- Contracted GFA from third-party bidding was 9.10 mn sq.m., representing 10.6 times YoY, the proportion of contracted GFA from third parties increased to 33%

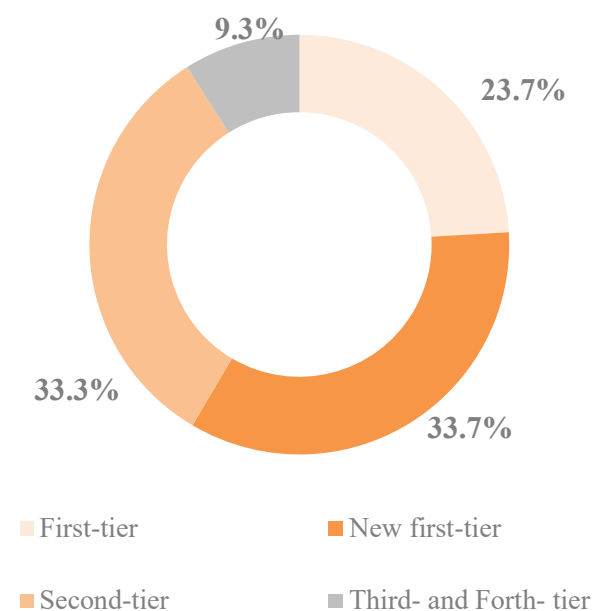


Premium City Distribution

- Continue to increase the scale advantages of Beijing-Tianjin-Hebei and Bohai Rim regions, and deeply develop the regions of our existing projects in Southern China, Eastern China, Central and Western China
- GFA under management located in tie-1 and tier-2 cities reached 90.7%

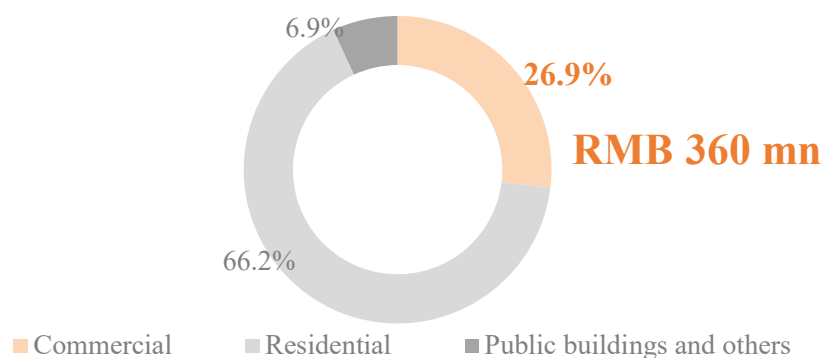


GFA under management by city tier



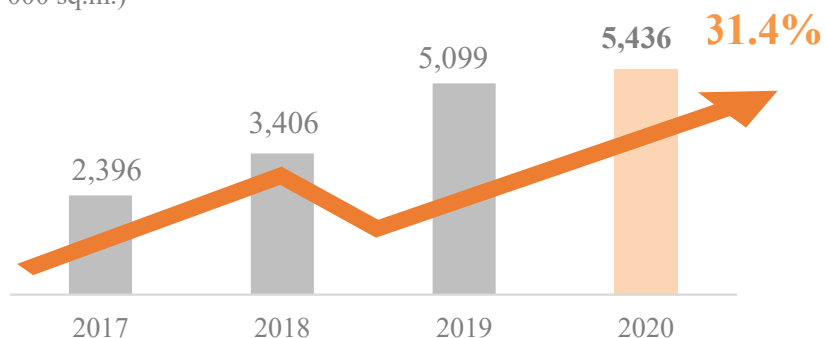
Increase in both volume and fees of commercial properties

% of revenue from property management services by property type



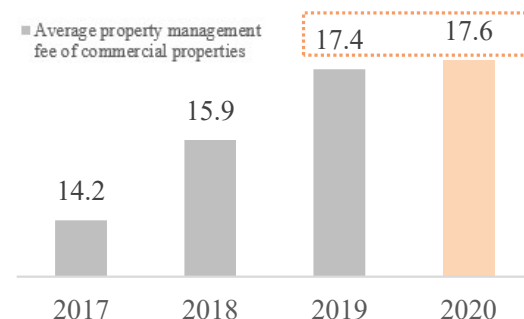
Contracted GFA of commercial properties

('000 sq.m.)



1. ASP increase steadily

Average property management fee of commercial properties



- Commercial properties: 40%¹ projects increased price

2. Mainly located in first-tier cities

- The business layout is located in clusters mainly in first-tier and major second-tier cities such as Beijing, Tianjin, Hangzhou and Chengdu
- Of which, the property management services income of the commercial properties in Beijing is close to RMB200 mn

3. Quality customers

- The global top 500 and listed companies, including Dajia Insurance, Didi, Momo and Cernet.

¹ excluding Swire cooperation series, if taking these into account, 50% projects increased price

Sufficient reserve of high-end commercial properties

Commercial properties

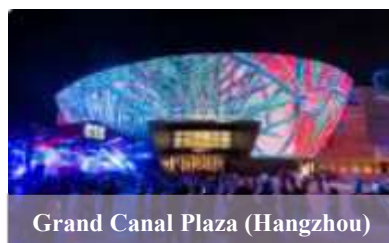
Office buildings

Swire cooperation

Complex series

Community commercials

5A grade office buildings Other office buildings



GFA under management
83,000 sq.m.

GFA under management
651,000 sq.m.

GFA under management
136,000 sq.m.

GFA under management
118,000 mn sq.m.

GFA under management
67,900 mn sq.m.

23 properties under management	2 2 new in 2020	2 1 new in 2020	8 1 new in 2020	4 1 new in 2020	7
15 potential properties ¹	1	3 1 new in 2020	8 2 new in 2020	1	2 2 new in 2020

¹ of which 3 properties are under developed by Sino ocean group, have not signed property management contract.

Strong support from controlling shareholder and its substantial shareholders

Parent company and sister companies



- Total land bank was **47,820,000 m²** as at 30 June 2020.
- Contracted sales in 2020 was **RMB 131.04 billion**.
- Total GFA under construction of commercial properties was **1.8 mn m²**.



远洋资本

- Entered into **strategic cooperation agreement**, diversified properties types add-in and supports.
- Providing customized management service for their portfolios, including commercial properties, industrial parks, logistics properties and data center, with incremental contracted GFA not less than **2 mn m²** per annum.

Major Shareholders of the Parent Company



- China Life executed a **strategic cooperation agreement** with Sino-Ocean Group to promote their cooperation in six key areas such as capital ties, financial products, insurance, real estate, **property management services** and senior living.
- Pursuant to the agreement, in respect of property management services, the parties will take advantages of their respective resources superiority to jointly promote their cooperation in property management services.

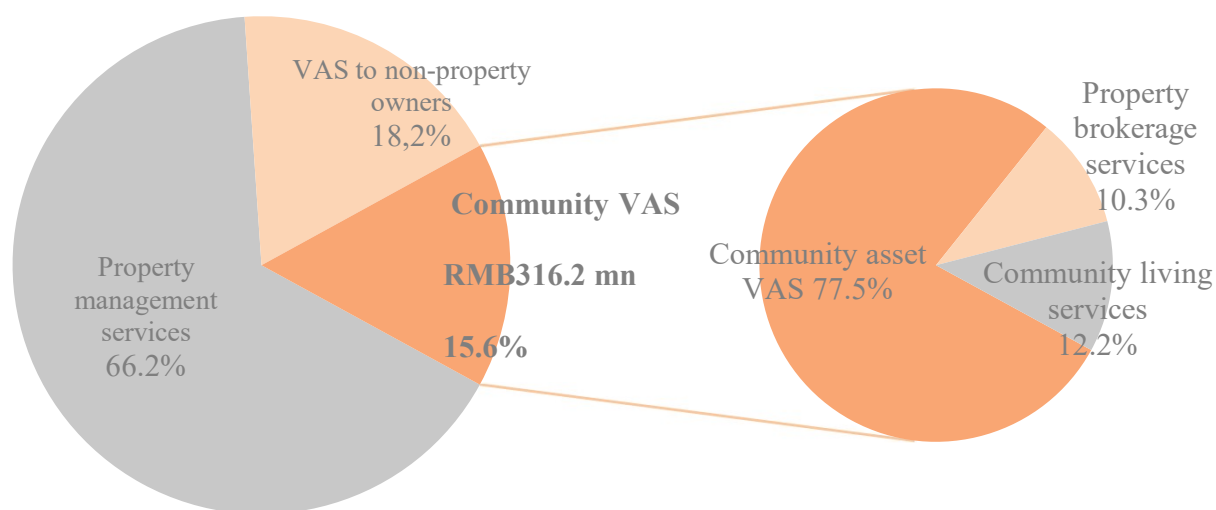


- Provided management services for properties such as **the Beijing headquarters of Dajia Insurance** and its residential properties in Wenzhou.

Community VAS growing fast

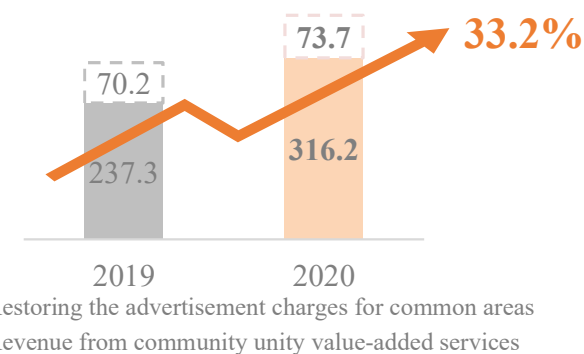
- Revenue from community VAS (excluding advertisement charges in common areas) was RMB316.2mn, increasing 33.2% yoy, and accounted for 15.6% of total revenue.
- The gross profit margin increased to 62.4%.

% of Revenue from Community VAS by Business Segment

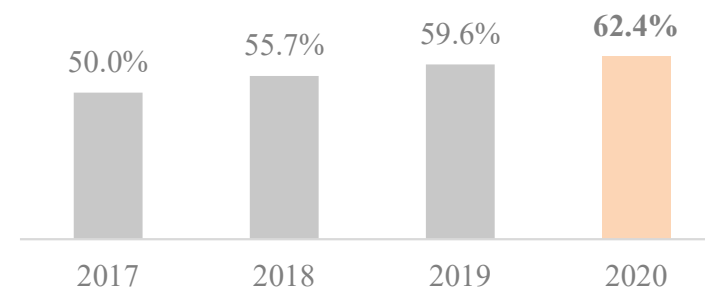


Revenue from Community VAS

RMB mn



Gross Profit Margin of Community VAS



Rapid promoting of community VAS

Replicable and mature business

Asset value-added



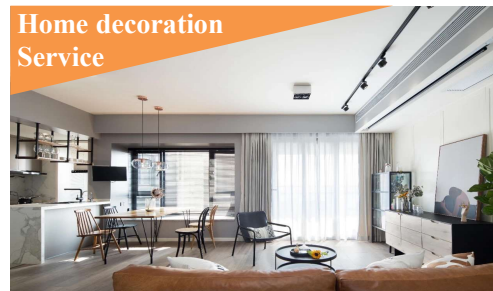
Applying professional space resources management system to replace manual work with technology, with an effort to enhance utilization rate of resources and to enhance efficiency and accuracy of management.

Property Brokerage Service



Providing one-stop full-cycle asset preservation and appreciation services in such fields as property leasing, transfer, trust, certificate of title, real estate loan, new houses, car parking spaces, etc.

Home decoration Service



Building a home improvement service platform that integrates decoration, being fully furnished and renovating old buildings with the concept of space beautification and living improvement.

Community Services



Selecting goods in a rigorous manner and roll outing daily and seasonal hot selling products to satisfy property owners' living needs, forming an exclusively preferred platform for the owners to select good commodities.

Development direction:

Home Services



On-site maintenance, housekeeping, cleaning, laundry, moving, home appliances cleaning and other services

Education



Sino-Ocean Future School (遠洋未來學堂) in Dalian has been operating for a period of time, and generated profits

Community senior living



The Company has been designated by the Ministry of Housing and Urban-Rural Development of the PRC as a pilot enterprise for providing elderly care services

Warehousing Services

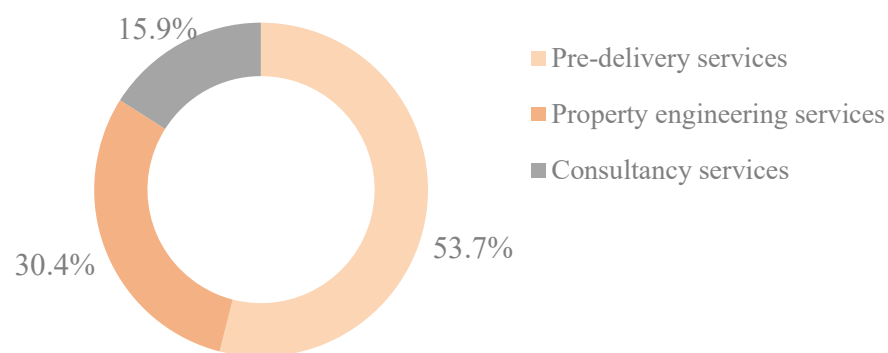


Providing storage services in respect of temporarily idle or bulky goods for property owners

Capability to develop third party of VAS to non-property owners

- Possessing two professional companies, i.e., Yiyang Louyu and Yuanhe Zhishang. The revenue from engineering services undertaken by Yiyang Louyu increased significantly, 50% of which was contributed by third parties.

% of Revenue from VAS to non-property owners

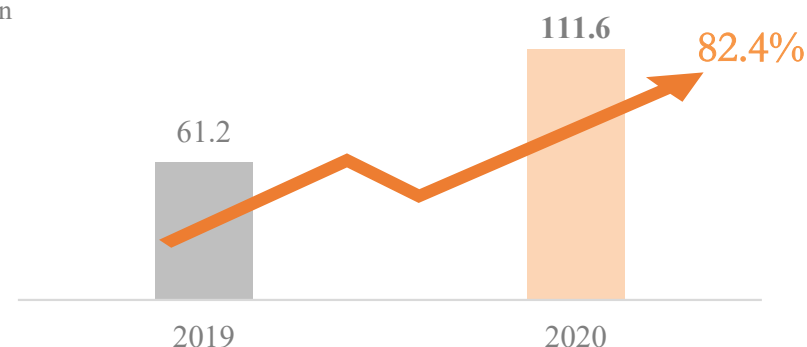


Yuanhe Zhishang

Businesses	Properties under Management	Institutions in cooperation	No. of Employees
<ul style="list-style-type: none"> Pre-delivery services Sales services 	50+	19+	300+

Revenue from Property Engineering Services YoY

RMB mn



Yiyang Louyu

Businesses	GFA under management	Revenue from third parties	No. of employees
<ul style="list-style-type: none"> Maintenance of equipment and facilities Smart Construction Repair and maintenance Intermediary 	60+ mn m²	50%	1800+

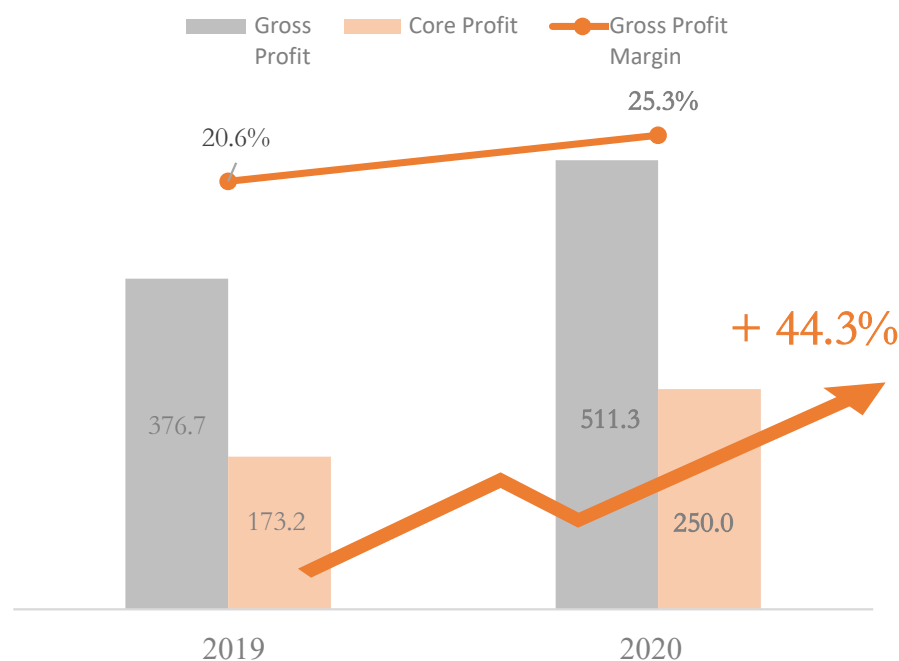
Evergrande, Beijing Capital Group, Air China, China Merchants Group, Anar, Forte, Jinke, Jinhui, CRTC, China State Construction, etc.

Profitability significantly improved

- Owing to adjustments to business structure and cost control, the Company's gross profit increased by 25.3%, representing an increase of 4.7 pts.
- Core profit amounted to RMB250.0 mn, representing yoy growth of 44.3%.

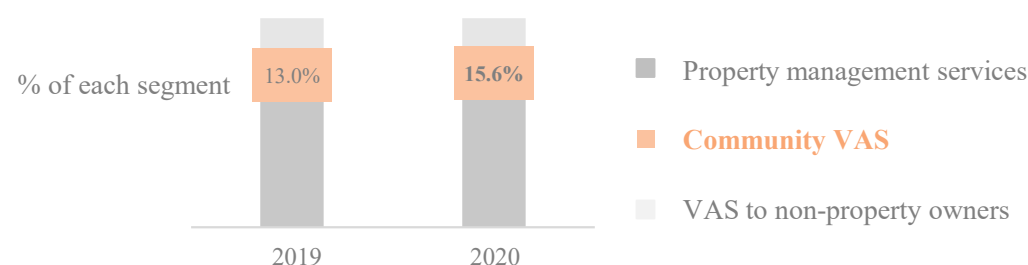
Gross Profit, Gross Profit Margin and Core Profit¹

(RMB in mn)



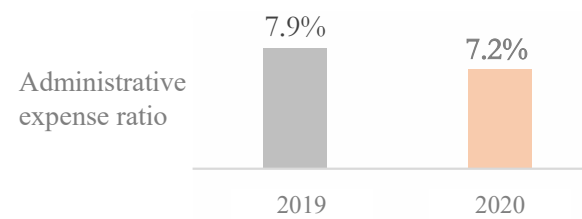
1. Structural Adjustments

- In 2020, the Company put emphasis on home decoration, community asset VAS, property brokerage services and home improvement. % of revenue from community VAS increased to 15.6% from 13.0% in 2019.



2. Cost control

- Administrative expense ratio² decreased by 0.7 pts yoy.



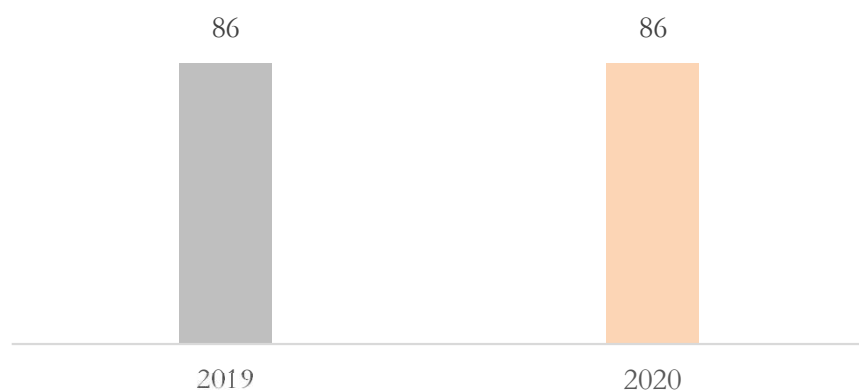
¹ After deducting ABS interest, foreign exchange gains and losses, listing expenses, social security premium cuts and exemptions, and changes in fair value of investment properties

² After deducting listing expenses

Continuously enhanced customers' satisfaction

- Customer's satisfaction and collection rate for property management fees remained stable.
- The Company ranked 13th in terms of overall strength and 11th in terms of growth potential among the Top 100 Property Management Companies in China, respectively, and was recognised as one of the eight 2020 Excellent Property Management Companies for Commercial Property Management.

Customer Satisfaction



Being Highly Recognized

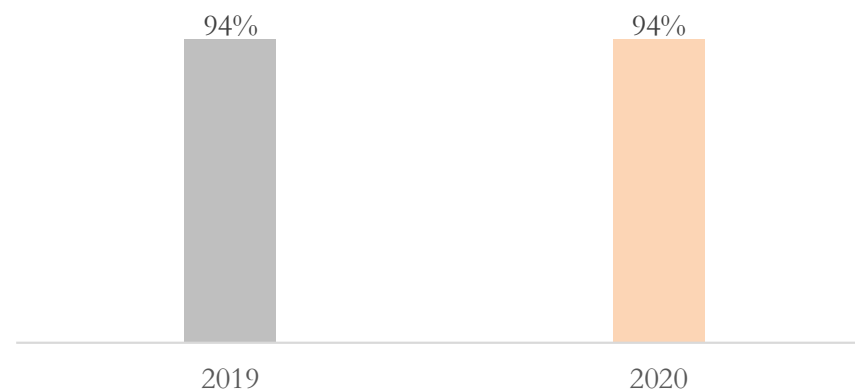


37 national, provincial or municipal demonstration bases, model residential communities or benchmarking projects



20 national property management awards or recognition

Collection Rate



Industry Rankings



Ranked **13th** among Top 100 Property Management Companies in China in terms of overall strength



Ranked **11th** among Top 100 Property Management Companies in China in terms of growth potential



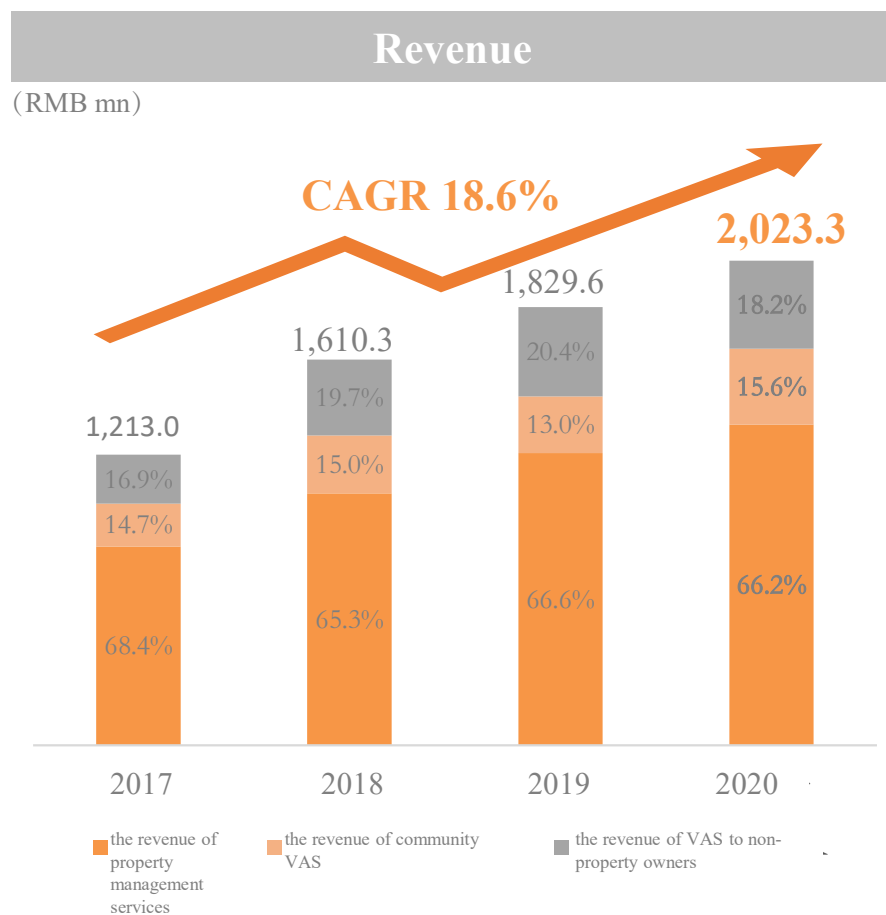
Being one of the eight 2020 Excellent Property Management Companies for Commercial Property Management

Financial Summary



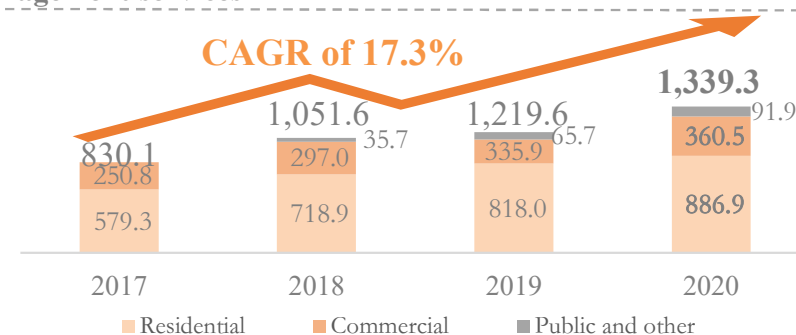
Key revenue indicators

- The revenue of 2020 was RMB2,023.3 mn, representing a four-year CAGR of 18.6%, of which 66.2% from property management service, 15.6% from community VAS and 18.2% from VAS to non-property owners



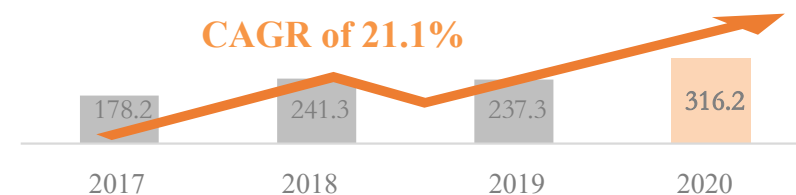
Revenue of property management services

(RMB mn)



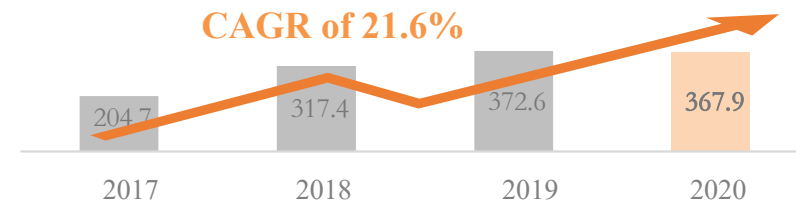
Revenue of community value-added services

(RMB mn)



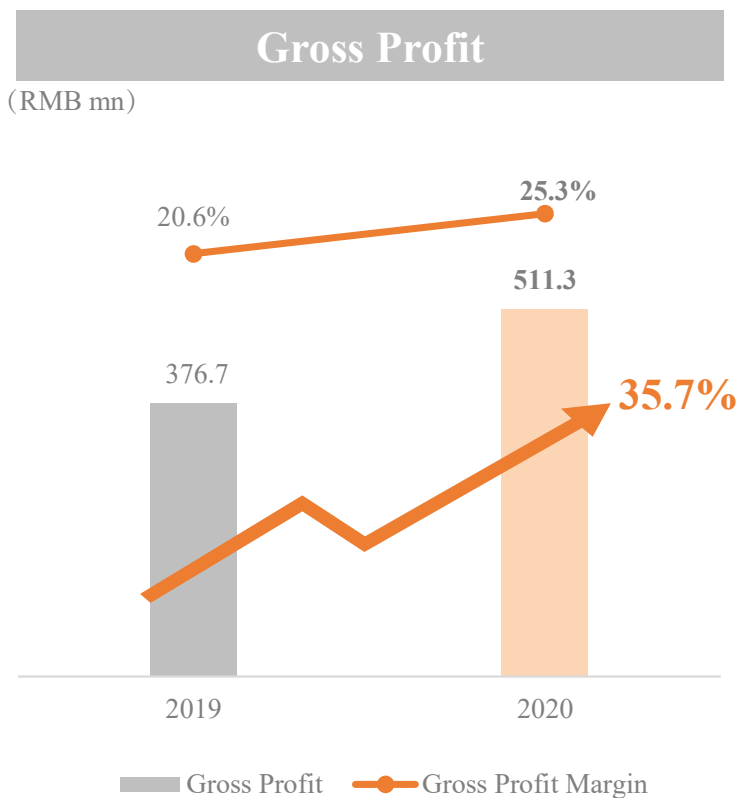
Revenue of value-added services to non-property owners

(RMB mn)



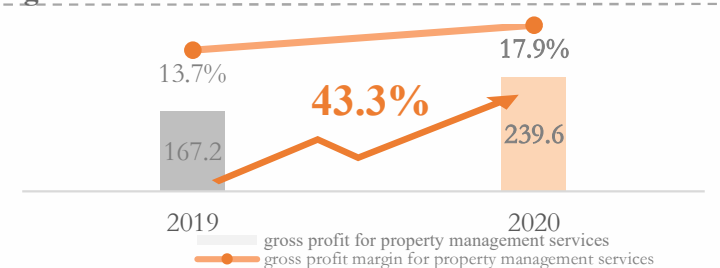
Key profit indicators

- The gross profit margin increasing by 4.7 pts to 25.3%



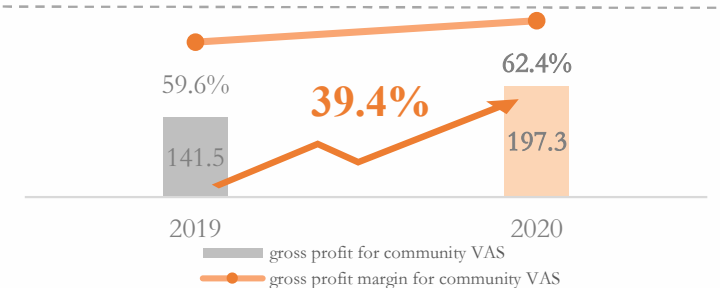
Gross profit for property management services

(RMB mn)



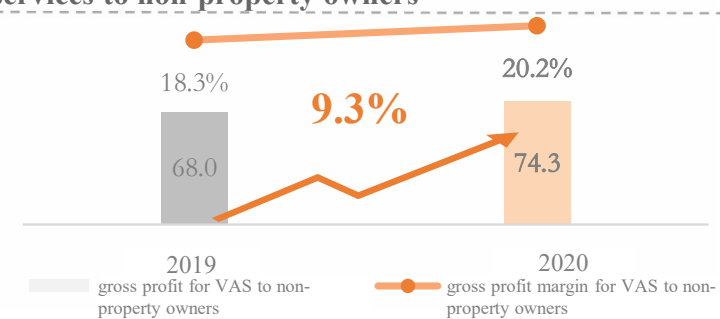
Gross profit for Community value-added services

(RMB mn)



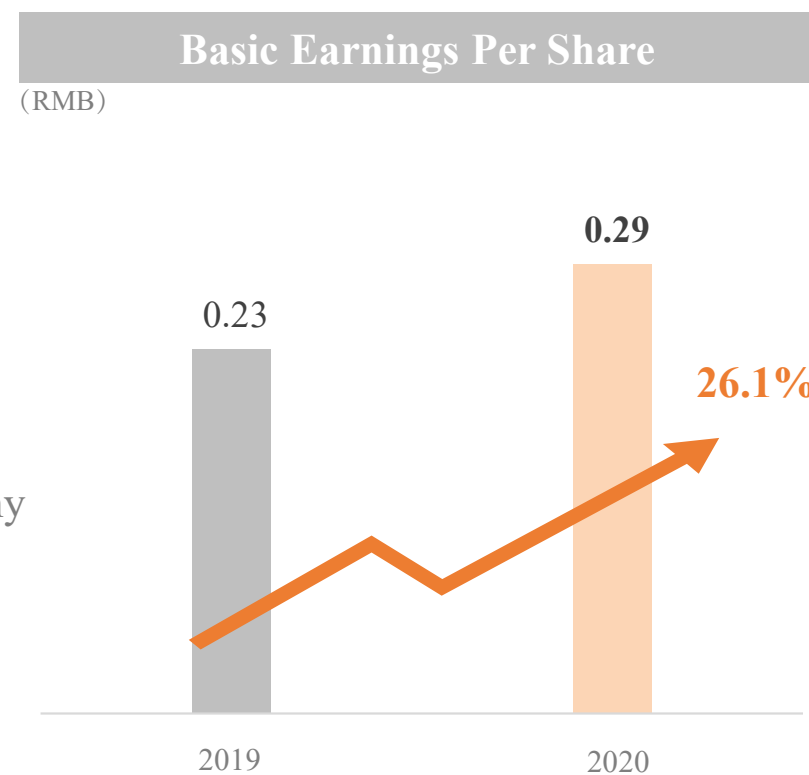
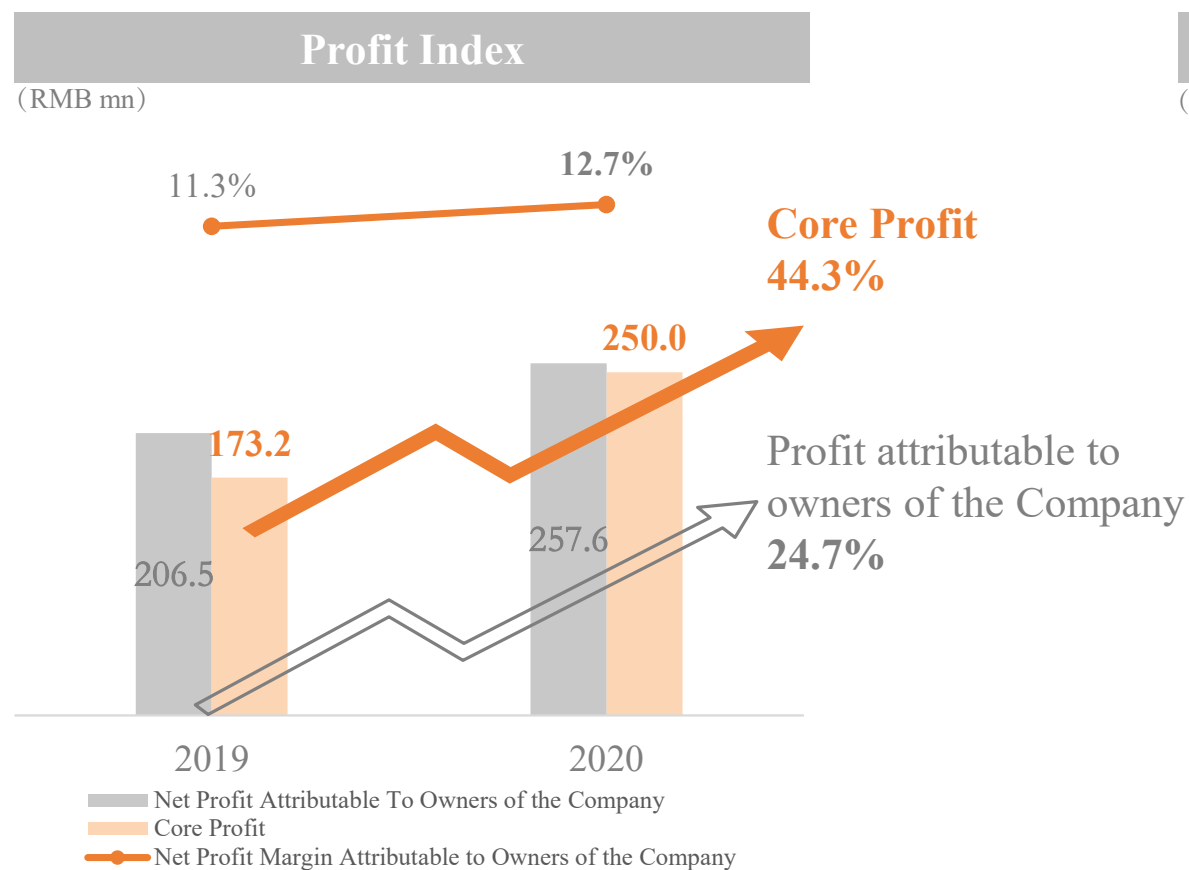
Gross profit for value-added services to non-property owners

(RMB mn)



Key profit indicators

- The profit attributable to owners of the Company increased by 24.7% and core profit increased by 44.3% YoY.
- The basic earnings per share is RMB0.29, increased by 26.1% YoY.

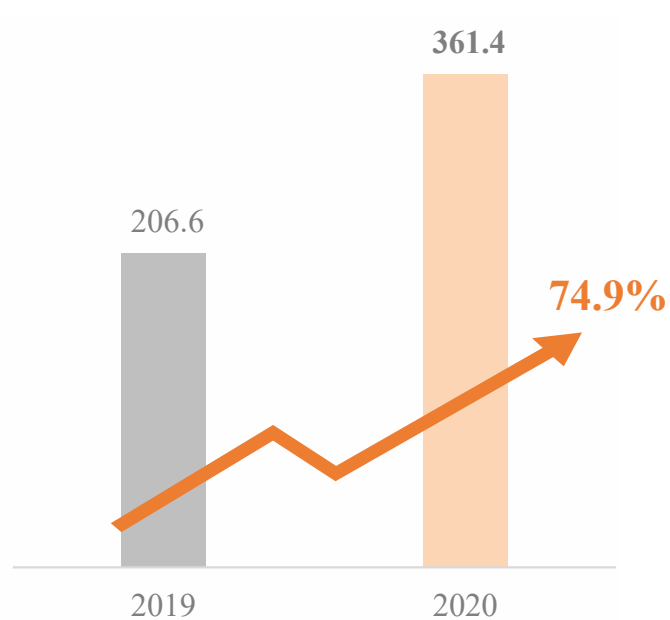


Other financial indicators

- Cash flow is sufficient, and the interest-bearing liabilities reduce to zero

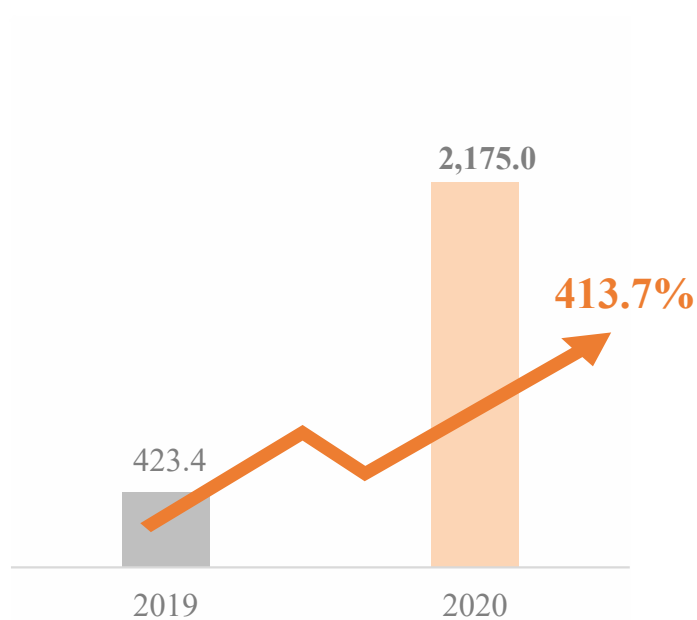
Net Cash Generated from Operating Activities

(RMB mn)



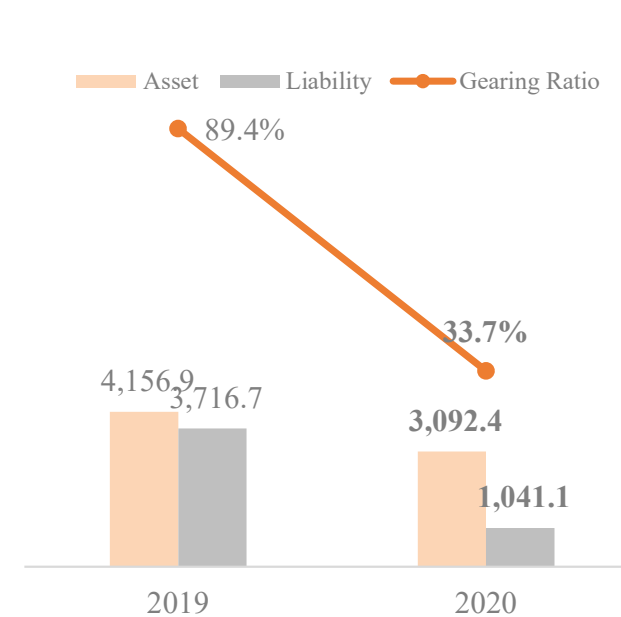
Cash and Cash Equivalent

(RMB mn)



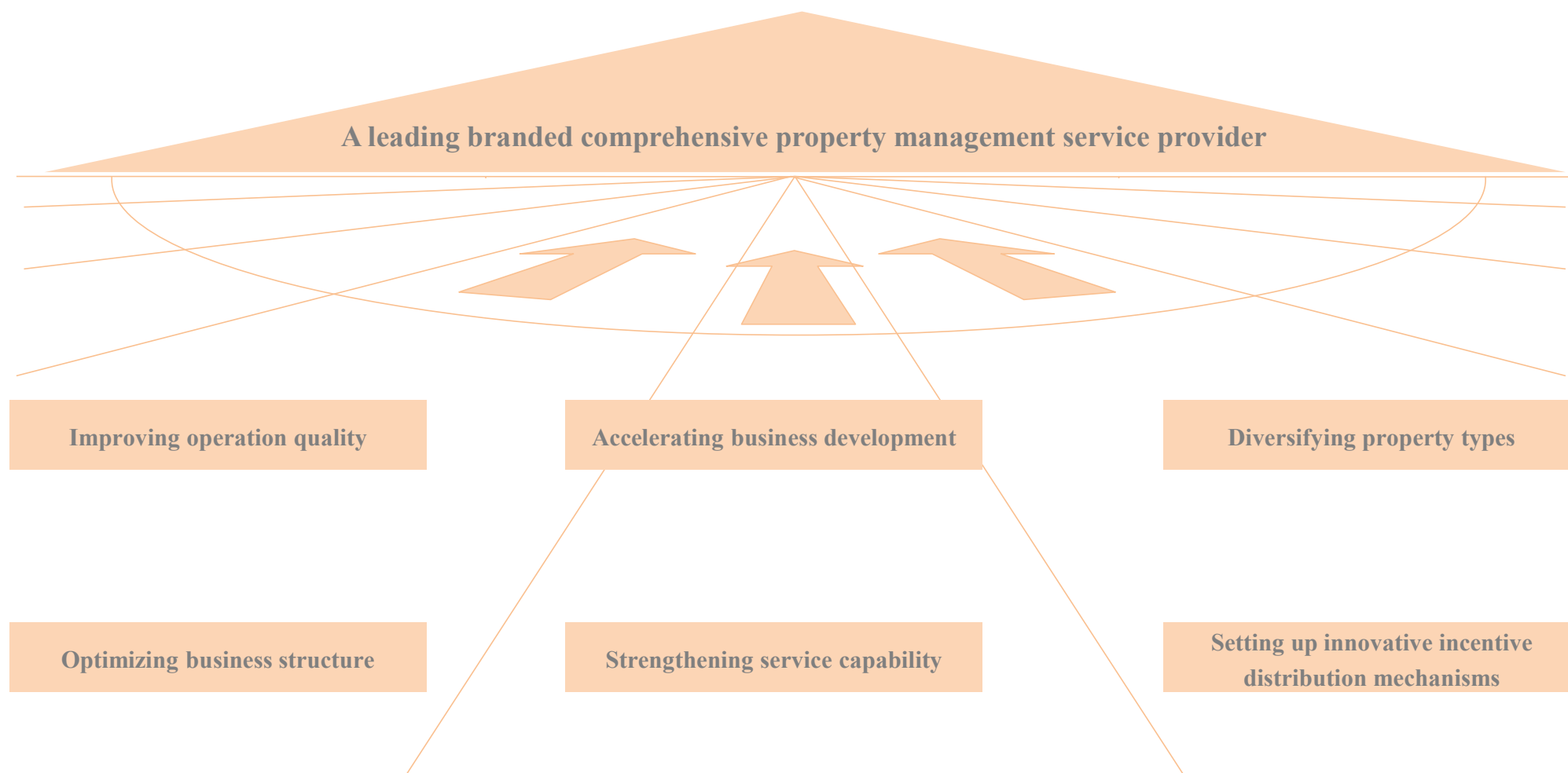
Gearing Ratio

(RMB mn)





Outlook



Market expansion strategy

Endeavor to market expansion

- to build a team of nearly 100 full-time staff specializing project expansion to further increase market expansion incentive to industry leading level in order to motivate all employees' enthusiasm on project expansion
- to cooperate with shareholders, such as China Life and Dajia Insurance to enlarge GFA under management

Focus on regions already entered

- to focus on regions where Sino-Ocean Service has entered, such as Beijing-Tianjin-Hebei region and Bohai Rim, and to actively expand to Eastern China, Southern China, Central and western China to intensify the coverage of out management service across the country

Accelerate merger and acquisition

- To target at the acquisition of national and regional property management companies which have expertise in specific property type
- to seek for high-quality targets through Sino-Ocean Group and Sino-Ocean Capital

Diversify property types

- To focus on residential and commercial properties, and facilitate the expansion in respect of urban service and other businesses



Appendix

APPENDIX: FINANCIAL SUMMARY

Summary of consolidated statement of comprehensive income for 2020

RMB mn	2020	2019	Change	Change %
Revenue	2,023	1,830	194	11%
Cost of sales	(1,512)	(1,453)	(59)	4%
Gross profit	511	377	135	36%
Selling and marketing expenses	(16)	(9)	(7)	75%
Administrative expenses	(183)	(144)	(39)	27%
Finance costs	(131)	(173)	42	-24%
Fair value gains on investment properties	1	1	(0)	-45%
Share of profit from investment in joint ventures	16	0	16	4,736%
Net impairment losses on financial assets	(31)	(14)	(17)	120%
Other income/losses or gains, net	163	228	(65)	-29%
Profit before income tax	330	266	64	24%
Income tax expense	(68)	(61)	(6)	11%
Profit for the year	263	205	57	28%
Non-controlling interests	5	(1)	6	-501%
Profit attributable to the owners of the Company	258	207	51	25%

APPENDIX: FINANCIAL SUMMARY

Summary of consolidated statement of cash flows for 2020

RMB mn	2020	2019
Net cash generated from in operating activities	361	207
Net cash generated from in investing activities	2,823	419
Net cash generated from/used in financing activities	(1,419)	(617)
Exchange losses on cash and cash equivalents	(13)	
Net increase in cash and cash equivalents	1,752	9
Cash and cash equivalents at beginning of the year	423	415
Cash and cash equivalents at end of the year	2,175	423

APPENDIX: FINANCIAL SUMMARY

Summary of consolidated statement of financial position for 2020

RMB mn	2020/12/31	2019/12/31	Change	Change %
Current assets	2,728	1,034	1,694	164%
Including: Cash and cash equivalents	2,175	423	1,752	414%
Trade and note receivables	315	364	(49)	-13%
Non-current assets	364	3,123	(2,759)	-88%
Including: Investment properties	85	85	0	0%
Investments in joint ventures	119	22	97	441%
Intangible assets	107	112	(5)	-4%
Loans and interest receivables due from Sino-Ocean Group	-	2,856	(2,856)	-100%
Total assets	3,092	4,157	(1,065)	-26%
Equity attributable to owners of the Company	2,028	418	1,610	385%
Non-controlling interests	23	22	1	5%
Total owner's equity	2,051	440	1,611	366%
Current liabilities	1,016	1,552	(536)	-35%
Non-current liabilities	25	2,164	(2,139)	-99%
Including: Borrowings balance in respect of ABS	-	2,142	(2,142)	NA
Total liabilities	1,041	3,717	(2,676)	-72%

Disclaimer

These materials have been prepared by Sino-Ocean Service Holding Limited (the “Company”) solely for informational use during its presentation to prospective and existing investors for introduction of the Company and to provide an update on the business performance and development of the Company. These materials may not be taken away, reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) or published, in whole or in part, for any purpose. By attending this presentation, you are agreeing to be bound by the foregoing restrictions.

The information contained in these materials has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial or trading position or prospects. The information contained in these materials should be considered in the context of the circumstances prevailing at the time and is subject to change without notice and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. None of the Company nor any of its respective directors, officers, employees, affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss or damage howsoever arising from any use of these materials or their contents or otherwise arising in connection with these materials.

Certain statements contained in these materials constitute “forward-looking statements”. Such forward-looking statements involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed by, or implied by, the forward-looking statements in these materials. There can be no assurance that the results and events contemplated by the forward-looking statements contained in these materials will in fact occur.

This document does not constitute an offer or invitation to purchase or subscribe for any securities of the Company or any holding company or any of its subsidiaries or an inducement to enter into any investment activity. No part of these materials, or the fact of its distribution or use, shall form the basis for or be relied on in connection with any contract, commitment or investment decision in relation thereto.



Q&A

SINO-OCEAN SERVICE
(6677.HK)

Thanks!