中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.
(incorporated in Hong Kong with limited liability)
(Stock code: 688)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS

1. Turnover increased by 98% to HK$37.3 billion, with the PRC property development business contributing the greatest proportion at about 97% of total turnover.
2. Operating profit increased by 36% to HK$12.3 billion. The PRC property development contributed operating profit of HK$10.3 billion, an increase of 62% and comprising about 84% of the operating profit. The gross profit margin was satisfactory at 31.1%.
3. Net profit attributable to shareholders increased by 48% to HK$7.47 billion, of which HK$955 million was related to the revaluation of investment properties.
4. Basic earnings per share increased by 43% to HK91.6 cents.
5. Total assets increased by 33% to HK$114.1 billion.
6. Shareholders' funds were up 27% to HK$42.1 billion. Net assets per share increased by 22% to HK$5.15.
7. Average return on shareholders' funds increased to 19.3%.
8. Sales of properties in the PRC amounted to HK$47.0 billion, an increase of 81% over that of last year, and sold area increased by 76% to over 4.8 million sq m.
9. During the year, the Group acquired twelve land parcels, adding 12.1 million sq m GFA to its land reserve. At the end of the year the Group had a land reserve of 30.6 million sq m GFA, an increase of 23% as compared with last year.
10. HK$2.5 billion of equity was raised in February 2009 pursuant to the Open Offer announced in December 2008. At the end of 2009 the shareholders' funds in the Company had increased to over HK$42.1 billion.
11. At the end of 2009, net gearing was reduced to the low level of 22.4%; outstanding bank loans and guaranteed notes payable were about HK$21.3 billion and about HK$2.3 billion respectively; and there was cash on hand of about HK$23.9 billion. Together with unutilised banking facilities of about HK$2.7 billion, the Group has about HK$26.6 billion of financial resources available.
12. The Board proposed a final dividend of HK13 cents per share. Together with the interim dividend of HK7 cents, total dividends declared for the year were HK20 cents per share, an increase of 54% compared with last year.

A TRUSTED BRAND GROWING THROUGH DILIGENCE AND CARE

The board of directors (the "Board") of China Overseas Land & Investment Ltd. (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2009. The consolidated profit after tax attributable to equity shareholders of the Company amounted to HK$7.5 billion, representing an increase of 48% as compared to 2008. The earnings per share is HK91.6 cents, representing an increase of 43% as compared to 2008.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The audited consolidated results of the Group for the year ended 31 December 2009 and the comparative figures in 2008 are as follows:

	Notes	**2009** ***HK$'000***	2008 *HK$'000*
Turnover	*3*	**37,321,630**	18,892,373
Cost of sales		**(24,969,281)**	(10,158,765)
Direct operating expenses		**(574,826)**	(562,909)
		11,777,523	8,170,699
Gain arising from changes in fair value of investment properties		**1,319,532**	1,666,701
Gain on disposal of subsidiaries		**-**	276,350
Gain (loss) arising from changes in fair value of investments held-for-trading		**10,452**	(24,049)
Other income		**478,545**	525,875
Selling and distribution costs		**(529,324)**	(677,754)
Administrative expenses		**(797,480)**	(897,010)
Operating profit		**12,259,248**	9,040,812
Share of profits (losses) of			
Associates		**3,683**	(10,982)
Jointly controlled entities		**19,238**	(26,848)
Finance costs		**(228,414)**	(417,682)
Profit before tax		**12,053,755**	8,585,300
Income tax expense	*4*	**(4,449,692)**	(3,513,018)
Profit for the year		**7,604,063**	5,072,282
Other comprehensive income			
Exchange differences arising on translation		**5,026**	1,487,075
Share of exchange difference of associates		**-**	13,101
Share of exchange difference of jointly controlled entities		**1,315**	311,675
Change in fair value of investments in syndicated property project companies		**2,317**	3,380
Reclassification adjustment of exchange difference upon disposal of subsidiaries		**-**	(114,361)
Reclassification adjustment of other reserve upon realisation of assets		**54,440**	72,945
Other comprehensive income for the year, net of tax		**63,098**	1,773,815
Total comprehensive income for the year		**7,667,161**	6,846,097

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**7,468,928**	5,048,637
Minority interests		**135,135**	23,645
		7,604,063	5,072,282
Total comprehensive income attributable to:			
Owners of the Company		**7,530,334**	6,755,120
Minority interests		**136,827**	90,977
		7,667,161	6,846,097
		HK cents	*HK cents*
			(Restated)
EARNINGS PER SHARE	*6*		
Basic		**91.6**	64.2
Diluted		**91.5**	64.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Non-current Assets			
Investment properties		**7,747,599**	6,428,067
Property, plant and equipment		**248,500**	275,520
Prepaid lease payments for land		**52,379**	63,465
Interests in associates		**180,600**	164,581
Interests in jointly controlled entities		**2,558,944**	1,947,655
Investments in syndicated property project companies		**20,971**	18,654
Amounts due from associates		**87,424**	90,108
Amounts due from jointly controlled entities		**9,172,006**	4,071,170
Amounts due from syndicated property project companies		**436**	1,056
Other financial assets		**30,161**	42,443
Goodwill		**109,021**	109,021
Deferred tax assets		**650,791**	485,090
		20,858,832	13,696,830
Current Assets			
Inventories		**3,718**	2,999
Stock of properties		**50,447,028**	53,978,804
Investments held-for-trading		**-**	9,506
Prepaid lease payments for land		**4,013**	3,846
Trade and other receivables	*7*	**1,120,299**	1,044,655
Deposits and prepayments		**1,059,712**	1,267,327
Deposits for land to be developed for sale		**15,934,835**	1,652,747
Amount due from immediate holding company		**-**	618,249
Amount due from an associate		**142,929**	613,246
Amounts due from jointly controlled entities		**276,369**	3,312,030
Amounts due from minority shareholders		**75,007**	138,647
Tax prepaid		**331,926**	231,407
Bank balances and cash		**23,862,725**	9,006,148
		93,258,561	71,879,611
Current Liabilities			
Trade and other payables	*8*	**10,963,564**	7,824,472
Deposits for proposed open offer		**-**	1,214,275
Pre-sales deposits		**17,522,447**	11,846,616
Rental and other deposits		**1,240,783**	434,248
Amount due to immediate holding company		**9,659,281**	-
Amount due to a fellow subsidiary		**251,292**	174,934
Amounts due to associates		**209,906**	181,905
Amounts due to jointly controlled entities		**524,249**	483,658
Tax liabilities		**5,459,135**	3,829,624
Bank loans - due within one year		**4,364,155**	3,946,026
		50,194,812	29,935,758
Net Current Assets		**43,063,749**	41,943,853
		63,922,581	55,640,683

	2009	2008
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**816,902**	785,070
Reserves	**41,276,170**	32,434,712
Equity attributable to owners of the Company	**42,093,072**	33,219,782
Minority interests	**(283,441)**	(335,394)
Total Equity	**41,809,631**	32,884,388
Non-current Liabilities		
Bank loans - due after one year	**16,969,870**	18,320,005
Guaranteed notes payable	**2,332,426**	2,329,431
Amounts due to minority shareholders	**820,310**	850,983
Deferred tax liabilities	**1,990,344**	1,255,876
	22,112,950	22,756,295
	63,922,581	55,640,683

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following Hong Kong Accounting Standards ("HKAS(s)"), Hong Kong Financial Reporting Standards ("HKFRS(s)"), Amendments and Interpretations ("HK(IFRIC) Int") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 24 (Revised)	Related Party Disclosures (only paragraphs 25 to 27 in respect of the partial exemption from disclosure requirements for government related entities)
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27(Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below the adoption of these new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting period.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments and changes in the basis of measurement of segment result, except the Group's assets and liabilities have not been reported segmentally (see note 8).

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements and liquidity risk. The Group has not provided comparative information for the expanded disclosures in respect of fair value measurements of financial instruments in accordance with the transitional provision set out in the amendments.

HK(IFRIC) - Int 15 Agreements for the Construction of Real Estate

In previous years, when properties were sold under pre-sale arrangements prior to the completion of the development, revenue and profit were recognised upon the execution of a binding sales agreement or upon the issuance of an occupation permit/completion certificate by the relevant authority, whichever was the later. With the issuance of HK(IFRIC) - Int 15, which contains more detailed guidance on the accounting treatment for such real estate transactions, the Directors of the Company have reassessed the Group's accounting policy on revenue recognition for sales of properties and are of the view that property sales should be recognised when the respective properties have been completed and delivered to the buyers. The effects of these changes in the accounting policy on the financial results for the current and prior years is insignificant and hence the comparative figures of the financial statements for the year ended 31 December 2008 have not been restated.

HKAS 24 (Revised) Related Party Disclosures

The Group has early adopted the partial exemption from certain disclosure requirements set out in HKAS 24 (Revised) for government-related entities. A government-related entity as defined in HKAS 24 (Revised) is exempt from some of the detailed disclosure requirements in relation to certain transactions and outstanding balances (including commitments) between the entity and a government that has control, joint control or significant influence over the entity; and between the entity and another entity over which the same government has control, joint control or significant influence.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures, except for paragraphs 25 to 27 in respect of the partial exemption from disclosure requirements for government related entities[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Right Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised 2008)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 July 2010.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. FUNCTIONAL CURRENCY

In prior years, the Company's functional currency was Hong Kong dollars ("HKD"). Due to the continuing expansion of the Group's business operations in the PRC, the directors have determined that the functional currency of the Company has changed from HKD to Renminbi ("RMB") from 1 July 2008. The directors have made an assessment on the impact of the change of the functional currency of the Company and concluded that there was no material effect on the results and financial position of the Group.

The consolidated financial information are presented in HKD as the directors consider that HKD is the appropriate presentation currency as the management of the Company control and monitor the performance and financial position of the Group by using HKD.

3. TURNOVER AND CONTRIBUTION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, and has had no significant impact on the reported segment results of the Group.

The Group is organized into business units based on their products and services, based on which information is prepared and reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance. The Group's operating and reportable segments under HKFRS 8 are as follows:

Property development	-	development and sales of properties
Property investment	-	property letting
Other operations	-	property management, property agency, logistics operations, building design consultancy and securities trading

Segment information about turnover and results are listed below:

Business Segment

Year ended 31 December 2009

	Property development HK$'000	**Property investment HK$'000**	**Other operations HK$'000**	**Consolidated HK$'000**
Segment revenue	**36,382,883**	**195,040**	**743,707**	**37,321,630**
Segment profit	**10,475,868**	**1,479,599**	**16,454**	**11,971,921**

Year ended 31 December 2008

	Property development HK$'000	Property investment HK$'000	Other operations HK$'000	Consolidated HK$'000
Segment revenue	17,891,210	201,792	799,371	18,892,373
Segment profit	6,730,746	1,839,954	138,617	8,709,317

4. INCOME TAX EXPENSE

Income tax recognised in profit or loss

	2009	2008
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**6,942**	36,888
Macau income tax	**7,227**	20,196
PRC Enterprise Income Tax ("EIT")	**2,502,658**	1,661,884
PRC Land Appreciation Tax ("LAT")	**1,465,641**	1,464,857
	3,982,468	3,183,825
Under(over)provision in prior years:		
Hong Kong Profits Tax	**62**	3,179
Macau income tax	**-**	7,861
EIT	**76,604**	17,295
LAT*	**(178,209)**	360
	(101,543)	28,695
Deferred tax:		
Current year	**568,767**	324,723
Attributable to a change in tax rate	**-**	(24,225)
	568,767	300,498
Total	**4,449,692**	3,513,018

* The actual appreciation value of certain property projects was finalised in current year which differed from the management's estimated appreciation value in prior years, resulting in an overprovision of LAT in respect of prior years.

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profit for the year.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, except for certain PRC subsidiaries of the Company which are taxed at concessionary rates due to transitional provisions, the statutory tax rate of the Company's PRC subsidiaries is 25% from 1 January 2008 onwards.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Macau income tax is calculated at the rate prevailing in Macau.

5. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Interim dividend paid in respect of 2009 of HK7 cents (2008: 2008 interim dividend HK6 cents) per share	**571,767**	**470,995**
Final dividend paid in respect of 2008 of HK7 cents (2008: 2007 final dividend HK7 cents) per share	**571,531**	**543,799**
	1,143,298	**1,014,794**

The final dividend of HK13 cents (2008: HK7 cents) per ordinary share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting. The amount of final dividend proposed was calculated based on the number of ordinary shares in issue at the date of approval of the financial statements.

6. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK$7,468,928,000 (2008: HK$5,048,637,000) and on the weighted average number of 8,153,422,000 (2008: 7,869,726,000) ordinary shares in issue during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to equity holders of the Company of HK$7,468,928,000 (2008: HK$5,048,637,000) and on the weighted average number of 8,162,078,000 (2008: 7,890,840,000) ordinary shares in issue and issuable after adjusting for the weighted average number of dilutive potential ordinary shares in respect of share options and bonus warrants granted of 8,656,000 (2008: 14,625,000) and nil (2008: 6,489,000) ordinary shares respectively on the assumption that all share options and bonus warrants were exercised during the year.

The weighted average number of ordinary shares for the purpose of basic earnings per share for both years has been adjusted for the effect of the rights issue raised during the year.

7. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the balance sheet date:

	2009	2008
	HK$'000	HK$'000
Trade receivable, aged		
0-30 days	**456,328**	465,073
31-90 days	**112,286**	208,288
Over 90 days	**385,014**	239,959
	953,628	913,320
Other receivables	**166,671**	131,335
	1,120,299	1,044,655

8. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables at the balance sheet date:

	2009 HK$'000	2008 HK$'000
Trade payables, aged		
0-30 days	**4,432,739**	4,076,519
31-90 days	**736,717**	401,001
Over 90 days	**2,756,358**	1,415,166
	7,925,814	5,892,686
Other payables	**1,706,713**	960,452
Retentions payable	**1,331,037**	971,334
	10,963,564	7,824,472

Other payables mainly include receipt in advance, other taxes payable and sundry accrued charges.

Of the retentions payable, an amount of approximately HK$762 million (2008: HK$505 million) is due beyond twelve months from the end of the reporting period.

9. EVENTS AFTER THE REPORTING PERIOD END

(a) On 9 September 2009, the Company entered into a subscription agreement with Shell Electric Mfg. (Holdings) Company Limited ("SMC"), a public limited company incorporated in Hong Kong and its shares are listed on the Hong Kong Stock Exchange. The Company, or one or more special purpose vehicles wholly-owned by the Company ("the "Offeror") will subscribe for the 157,045,368 shares at a consideration of HK$2.90 per share in cash (the "Subscription"), representing approximately 30% of the issued share capital of SMC as at 9 September 2009 and approximately 23.08% of the issued share capital of SMC as enlarged by the Subscription. Star Amuse Limited, an indirectly wholly owned subsidiary of the Company, subscribed 157,045,368 shares at cash consideration of approximately HK$455 million and accordingly, completion of the Subscription took place on 10 February 2010.

On 26 February 2010, J.P. Morgan Securities (Asia Pacific) Limited, financial adviser to Star Amuse Limited, on behalf of Star Amuse Limited, made a voluntary unconditional cash offer (the "Offer") for all the issued shares in SMC, other than those already owned or agreed to be acquired by Star Amuse Limited and parties acting in concert with it ("Offer Share"), on the basis of HK$5.00 ("Share Offer Price") in cash for each Offer Share. As at 23 February 2010, the latest practicable date, there were 680,529,930 issued shares in the capital of SMC (as enlarged by the Subscription), of which Star Amuse Limited together with parties acting in concert with it held 157,045,368 issued shares. Assuming that the Offer is accepted in full, the Offer applies to 523,484,562 issued shares, representing approximately 76.92% of the issued share capital of SMC. The maximum consideration payable under the Offer is approximately HK$2,617 million (excluding stamp duty) based on the Share Offer Price, which will be financed entirely by cash from the Company's internal resources. The Offer will close on 29 March 2010 and will not be extended.

Upon closing of the Offer, Mr. Billy K. Yung, the director and one substantial shareholder of SMC, undertakes that, he will use his best endeavours to procure other substantial shareholders to accept the Offer to the extent that Star Amuse Limited will own no less than 50.1% of the issued share capital of SMC as enlarged by the Subscription. Mr. Billy K. Yung and the Company will also jointly undertake to maintain the 25% public float requirement and will jointly sell or transfer the issued securities held by them to the public (as defined in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) such that at least 25% of the issued shares of SMC are held by the public.

(b) On 17 March 2010, the Company and one of its subsidiaries entered into a joint venture agreement with other independent third parties and a connected party for establishment and management of a fund investing in real estate projects in the PRC. As at the date of the JV Agreement, the Company and other joint venture partners have accepted a total capital commitment of US$250 million (equivalent to approximately HK$1,950 million). Details of the fund have been set out in the announcement of the Company dated 17 March 2010.

PAYMENT OF DIVIDEND

The Board has recommended the payment of a final dividend of HK13 cents per share for the year ended 31 December 2009. Together with an interim dividend of HK7 cents per share, the total dividend for the whole year amounted to HK20 cents per share, HK7 cent increase compared with the total dividend of HK13 cents per share for the previous year.

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the dividend warrants will be dispatched on Friday, 18 June 2010 to shareholders whose names appear on the Register of Members of the Company as at the close of business on Wednesday, 9 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 8 June 2010 to Wednesday, 9 June 2010 (both days inclusive)(the **“Book Close Period”**) to ascertain shareholders qualified for the final dividend and the right to attend and vote at the forthcoming Annual General Meeting to be held on Wednesday, 9 June 2010 (or any adjournment thereof). To qualify for the abovementioned rights, all properly completed and duly stamped transfer forms accompanied by the relevant share certificates should be lodged with the Company’s registrar, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 7 June 2010. No transfer of shares will be registered during the Book Close Period.

BUSINESS REVIEW

As a result of the 2008 global financial crisis, economic development in many countries was adversely affected to varied extent. Major developed countries in Europe, as well as the United States and Japan, have gradually stumbled out of recession but a full global economic recovery is yet to be seen. Under the central government's proactive fiscal policies and moderately loose monetary policies, and coupled with the implementation of a basket of stimulus measures, the economic downturn in China was effectively staved off. In 2009, China still achieved strong GDP growth of 8.7%. Improved economic development in both Hong Kong and Macau was also seen.

In 2009, the Group adhered to its operational watchword: Sharpening Capabilities for Sustained Growth. By mastering such fluctuating market conditions, the Group achieved a substantial jump in its sales and profit. Turnover increased by about 98% to HK$37.3 billion, and consolidated net profit increased by 48% to HK$7.5 billion. The consolidated net profit of the Group has sustained a compound increase of more than 47.4% in the past five years (2005-2009). This comprises annual increases of over 20% in each of the past seven years (2003-2009), fulfilling the Group's commitments to its shareholders and investors.

The Group adhered firmly to its direction and target for its China real estate operation. It did not defer completion schedules of its ongoing projects nor carry out forced sales at low prices even during the difficult times in 2008. Instead, the Group gathered its strength and watched for the upturn and for other opportunities in the market. Taking advantage of the release of pent-up demand and the V-shaped rebound, the Group expedited its stock sales in the first half of 2009. Meeting strong market demand and also as a result of targeted and innovative sales and marketing measures, the Group achieved an excellent result in both the price and transaction volume of its sales in the second half of the year. The turnover of the Group's China property development business increased by 110% to HK$36.1 billion, the gross profit margin was satisfactory at 31.1%, and the operating profit increased by 62% to HK$10.3 billion. Through timely adoption of greater sales flexibility, the stock of the two projects in Hong Kong and the La Cité project in Macau were cleared at good prices, generating turnover of HK$280 million, the gross profit margin was 60%. Hong Kong and Macau operations brought in an operating profit of HK$156 million.

Property Development

During the year, the China real estate market has evidently improved. The Group achieved another sales record of HK$47.8 billion in 2009 (including its share of sales in syndicated projects), an increase of 80% on 2008. The total area of properties sold was 4.8 million sq m, an increase of 76% on 2008. Pre-sales amounted to about HK$20.0 billion as at the end of 2009 (of which HK$17.5 billion has been received), an increase of 41%.

Total sales of properties in China remained robust, amounting to HK$47.0 billion, an increase of 81% on the previous year; the area sold was 4.8 million sq m, representing an increase of 76% on 2008.

During the year, 46 projects in China with aggregate GFA of 5.1 million sq m were completed for occupation. Total saleable area of these residential projects was 4.1 million sq m, of which 86% had been sold by the end of 2009, corresponding to an area of 3.5 million sq m and sales value of HK$33.3 billion.

Furthermore, sales of properties held for sale were satisfactory. During the year, 0.6 million sq m was sold for approximately HK$7.3 billion and, at the end of 2009, about 0.9 million sq m of properties were held for sale.

Most of the stock in Macau and Hong Kong was sold, resulting in revenue of HK$830 million. The sales turnover was HK$280 million.

Investment Properties

The Beijing China Overseas Plaza was completed at the end of 2008 and progress in leasing has been satisfactory. The overall occupancy rate of the Group's investment properties (comprising a total area of over 0.2 million sq m) was satisfactory. The total rental income for the year was HK$195 million, representing a decrease of 3% on 2008; segment results amounted to HK$1.5 billion which included an increase in fair value of properties of HK$1.3 billion (the net income after tax was HK$955 million). Operating profit was HK$160 million, representing a decrease of 5% as compared with 2008.

Land

As at 31 December 2009, the Group had a total land reserve of about 30.6 million sq m (attributable interest of about 27.0 million sq m) in 20 mainland cities, Hong Kong and Macau. This is enough to meet its requirements for development, and to assure annual profit increases of over 20% in the next four to five years.

Taking account of the economic environment, trends in the real estate market, the funding capabilities of the Group, the land reserve on hand and the quality and cost of new land parcels, eleven parcels of land were acquired in 2009 in ten cities in China – Chengdu, Shanghai, Jinan, Shenyang, Chongqing, Foshan, Ningbo, Hangzhou, Changchun and Zhuhai. These land parcels provide an aggregate gross floor area (GFA) of 12.1 million sq m (attributable interest of 10.9 million sq m). The Group's focus this year was to expand the Northern Territory and the Hua Bei Territory. By establishing the Western Territory to oversee business in Chengdu, Chongqing and Xian and consolidating its success in the Hua Dong Territory and Hua Nam Territory, the Group achieved its objective of a balanced distribution of investment.

During 2009, the Group seized an opportunity and completed the land premium compensation of the Fanling project at a low price. It also purchased another parcel of land in Kowloon Tong at the end of the year. These provide a strong foundation for the Group's property development business in Hong Kong in the high-end sector.

Group Finance

The Group adheres strictly to the principle of a prudent financial management policy. Finance, treasury and fundraising activities of the Group are subject to centralised management and supervision. During the year, property sales in China were exceptionally good, providing ample cash inflow to the Group and reinforcing the Group's financial position. The Group continued to receive the support of its controlling shareholder China State Construction Engineering Limited ("CSCL"), which was listed in China on 29 July 2009, raising over HK$55.0 billion. In anticipation of the Group's funding requirements for land purchases, about 8.5 billion yuan (HK$9.7 billion) of short-term financing was received from a wholly owned subsidiary of CSCL in December 2009. Shareholders' funds in the Company increased from HK$33.2 billion at the end of 2008 to HK$42.1 billion at the end of 2009. The net gearing ratio at the end of 2009 showed a decrease from 46.8% the previous year to about 22.4%.

As at 31 December 2009, outstanding bank loans and guaranteed notes payable by the Group were about HK$21.3 billion and about HK$2.3 billion (US$300 million) respectively; and cash on hand amounted to approximately HK$23.9 billion. Together with available banking facilities of about HK$2.7 billion, the total funds available amounted to approximately HK$26.6 billion.

Human Resources

The Group firmly believes that the quality of human resources and the level of knowledge capital are important benchmarks in assessing the competitiveness of an enterprise. Personal capability is enhanced through skills development, staff training and job rotation. Long-term development of the Group and personal development of staff are closely interrelated and mutually reinforcing. This is a pre-eminent feature of the Group's corporate culture and human resource management style.

After assiduous promotion in recent years, the "Sons of the Sea" and "Sea's Recruits" schemes have become recognised human resource brands in the mainland property industry. Staff recruited through these two schemes have steadily become an important element supporting the sustainable and stable development of the Group. In 2009, "Sons of the Sea" was acclaimed as the most respected brand among top universities and the property industry. The Company was named "Best Graduate Employer in China" and also received a "China Human Resources Management Prize".

Corporate Governance

The Board recognises that its prime duty is to protect and best utilise resources in the Group and thereby to enhance shareholder value. Good corporate governance is the key to improving corporate profit and assuring sustainable development. The Group strives to improve corporate governance standards to ensure that the Group's businesses are run efficiently and its assets and shareholders' interests are well protected. In the past years, the Group has actively promoted corporate transparency and strengthened the Group's internal controls and risk management.

The annual report is a primary tool for communication with investors. The 2008 annual report was recognised in the influential international ARC Awards and Mercury Awards. This aligns with the Group's continued efforts to improve its communications with investors.

Corporate Citizenship

The Group is committed to corporate social responsibility and seeks to promote social value and harmony. The Group has established a well-regulated formal system to discharge its social responsibilities, especially in the areas of poverty alleviation, disaster relief works, educational subsidies, charitable donations and community services.

Since 2005, the Group has donated over 30 million yuan for the construction of four China Overseas Hope Schools and the rebuilding of the Du Jiang Yan Special Education School. The resources and facilities provided to these schools have greatly enhanced the education environment and capabilities of the locality.

The Group continued to apply environmental protection and energy conservation concepts such as carbon footprint and "green construction" throughout its corporate development strategy, as well as to the design and construction of its property projects. The aim is to help build a greener society and ensure a healthy living environment that enables sustainability in the natural environment in and around our projects. As a property developer, the Group can make a major contribution towards the economy, infrastructure development, environmental enhancement and provision of job opportunities in urban areas.

In recognition of the Group's commitment to discharging its corporate social obligations, the Company was acknowledged as one of the "Top 20 Corporate Socially Responsible Property Enterprises in China" in 2009.

Awards
In 2009, the Group received numerous awards. China Overseas Property was acknowledged as number one among "China's 20 Most Valued Property Brands" and its brand value increased to 14.05 billion yuan. It was also acknowledged as the number one among "Leading China Property Brands" and for six years in a row has been voted the number-one China Blue Chip Real Estate Developer. China Overseas Property was awarded six Jian Tian Yao (詹天佑) awards for excellence in its quality, design and management and two CNBC International Property Awards.

PROSPECT

Macroeconomy
It is expected that governments worldwide will continue to maintain various stimulus measures aimed at boosting their economies and fighting recession. The effects of such support measures may vary from country to country. As real economic growth and higher employment have yet to be seen, fundamental conflicts (including in trade) among different economies have intensified and there is some protectionist sentiment. As a result of globalisation, the economic development of every country is now closely linked to that in all the others. Any change in the relationships among countries can generate substantial positive or negative effects. The global economic outlook in 2010 is full of uncertainty.

China achieved GDP growth of over 8% in 2009 but there were subsequent concerns about an overheating economy and inflation. The Chinese central government has started to adopt a more flexible monetary policy. In January 2010, for the first time in one and a half years, the central bank increased the deposit reserve rate and there was a second increase in February. It is possible that credit liquidity will be tightened again and interest rates increased. Economic development in Hong Kong and Macau will be affected to some extent. The year 2010 will be a challenging one for most enterprises.

Business Development
It is expected that competition in the China property market in 2010 will intensify. In an exceptional 2009, a strong rebound in the property market led to consolidation of prices at a high level and also triggered adjustments in government policies for year 2010. Some recent policies and measures have already affected the property market in the short term. Nevertheless, the Group is still optimistic about the long-term development of the mainland China property market. Property has become a pillar industry in China and is critical to the economic development of the country. Moreover, rapid ongoing urbanisation will continue to drive the property market for some time yet.

Greater volatility in the China property market is anticipated amid increased uncertainty. For the industry as a whole, there are more challenges than opportunities. However, property developers that are operationally and financially sound and have a strong brand name will be at a relative advantage. The Group will follow the market closely so as to improve its sensitivity towards market developments. By mastering changes in the market and the stages of the economic cycle, the Group will be able to seize investment opportunities including the acquisition of prime land parcels through various channels. The Group will continue to enter new cities and strengthen its balanced nationwide strategy. The Group will also continue to enhance its operational and management capability, so that it is able to maintain sustainable growth even in times of uncertainty and can consolidate its leading status in the property industry.

It is expected that the property market in Hong Kong and Macau, especially the high-end segment, will continue to be buoyant. In 2010, the Group will seek opportunities to expand its business in Hong Kong and Macau.

Operational Philosophy

The Group holds to its philosophy of Excellent Integrity, Eternal and Excellent Products (誠信卓越，精品永恒). This operational approach will not change as the scale of its operation grows. The Group strictly adheres to its undertakings and conducts business with complete integrity. The Group continues to apply the longstanding maxim of "Exercise caution in details and implementation. Build a strong foundation to seek greater success." It tries its utmost and explores every avenue to improve the quality of its projects so that each project stands out and sets the pace among high-end products in the area. The Group also endeavours to maintain its high levels of creativity and to continuously consolidate and expand its market and customer base. The Group works hard to enhance its customer relationship management system and to uphold its customer-focused strategy. By collecting data on customer demand and sharing it with operational departments, the Group strives to improve the quality of its projects and to provide customers with a choice of highly differentiated and desirable products. The Group continues to actively stimulate familiarity with its nationwide branded products and to provide customers with the best products and a full range of reliable consolidated services.

Brand Building

China Overseas Property (中海地產) is a leading brand name in the mainland China property sector. During the year, China Overseas Property was acknowledged as number one among "China's 20 Most Valued Property Brands" and the brand value of China Overseas Property increased by over 40% to 14.05 billion yuan. The Group's projects were widely recognised for their quality, design and management and received numerous awards. The brand value of an enterprise is based on its image in the community, its capability to act with a high level of corporate citizenship and effective corporate governance. The Group keenly recognises that an enterprise must continue to deliver high quality products even as the scale of its operation grows. The Group realises the brand name of China Overseas Property could be further promoted and become more widely and deeply recognised. The Group will increasingly emphasise building the China Overseas Property brand by launching more active and sophisticated promotion programmes, especially in newly entered cities. Brand building will consolidate the competitiveness of the Group and help raise the Group's scale and profit to a higher level.

Sustainable Project Development

Under more volatile and unpredictable market conditions for its mainland China property business, the Group will closely monitor the market and control the pace of its project development and sales appropriately. The Group will continue to launch targeted, highly differentiated, premium products. By leveraging its brand name, backed by innovative marketing and sales techniques, the Group can improve its sales results and cash flow, maximise the return on its assets as well as ensure sustainable growth in the scale and profit of its operations. It is planned that in 2010, the Group will commence development of an additional 9.0 million sq m, bringing the total area under development to around 16.0 million sq m. A total of 105 projects with GFA of 6.0 million sq m will be completed for occupation. The Group will strive to achieve total sales of not less than 4.8 million sq m for 2010, a slight increase on 2009.

The Group will allocate sufficient resources to ensure the successful sales of the two luxury projects in Hong Kong (in Stanley and Kowloon Tong) and the smooth development of the Fanling project and the other newly acquired Kowloon Tong project.

Better Business Structure

The Group will continue to operate a business structure with residential development as the main element and investment property in a supplemental role. It will balance resource allocation for short-term and long-term investment and gradually increase its weighting on investment property so as to obtain stable long-term returns and to enhance its capability to balance market risk. Currently, the total area of commercial property under development and yet to be developed by the Group exceeds 2.0 million sq m, with most expected to be completed by the end of 2012 and about 1.0 million sq m to be retained as long-term investment property. It is expected that from 2015 onwards, the Group will have stable rental of not less than HK$1.2 billion per year from its investment properties. Furthermore, it is expected that the Group will soon dispose of the Nanjing Yangtze River II Bridge, and thus withdraw fully from the infrastructure sector.

Land Replenishment

Under more volatile and unpredictable market conditions, the Group will calmly meet the challenges ahead. It will maintain an appropriate scale of investment and capture opportunities offered by market adjustments to replenish its prime land reserve through a variety of means and channels. It is intended that the Group will enter three or four new cities in 2010 and the replenishment of its land reserve will not be less than 6 million sq m.

Up to the date of the results announcement, the Group has acquired 9 pieces of land in 8 mainland cities in 2010, with a total GFA of 2.6 million sq m.

Multi-Growth Models

The Group will strive to expedite its development and expand its development scale through joint venture cooperation and mergers and acquisitions. Continuing financial benefits are expected in the near to medium term from the Group's joint ventures. On 17th March 2010, the Group entered into a joint venture agreement for the purpose of the establishment and management of a property fund. Details of the joint venture agreement have been announced. The acquisition of the control of Shell Electric Mfg (Holdings) Company Limited (stock code: 81) is at its final stage, the result of which will be disclosed shortly.

Market Leading Status

China is a vast country whose economy is developing at varying rates, and its property markets are also at different stages at any one time. However, comprehensive nationwide strategic coverage enables the Group to balance risks caused by volatility in economic and market cycles. The Group will continue to strengthen and balance its nationwide development strategy by actively exploring new markets that offer strong potential. In order to increase its leadership of the industry in terms of turnover, net profit, brand value and innovative products, the Group will continue to focus on the formulation and execution of policies and regulations, the development of the Group's human resources, protection of tangible and intangible resources, risk management and the enhancement of operating efficiency. Through improvement in the Group's overall competitiveness, the Group can actively acquire high-value land at low cost, maintain a customer-focused strategy, and continue to improve its product quality as the Group holds to its philosophy of practising professionalism in each and every detail and in each and every project.

Prudent Financial Management

The Group will continue to adhere to prudent financial management while it strives to improve its fund management capability. The Group will explore new channels and make full use of its fundraising platforms in the international, Hong Kong and mainland China financial markets in order to enhance its financial strength and resources and to increase its asset protection capabilities. Mindful of possible further liquidity shortages, and taking into consideration possible interest rate increases and RMB appreciation, on 5 February 2010 the Group secured a HK$8 billion, five-year long-term loan facility. To further strengthen its debt structure, the Group may seize market opportunities to secure other financing of a longer tenor. The Group will continue to upgrade and promote its ERP system to enhance the communication of project and financial information, intensify cash flow control across all regions, increase cash inflow and effectively combat the risks brought about by any shortage in liquidity.

Prudent financial management and strong financial capabilities allow the Group to avoid the need to sell heavily at low prices when the market is weak and position the Group to seize business opportunities and to acquire prime land at satisfactory prices. This structure provides a secure base for the sustainable and rapid growth of the Group.

On 25 January 2010, Moody's upgraded the Company's issuer and bond ratings to Baa2 / Stable outlook. The upgrade reflected the recognition of the market to the Group's solid and stable financial profile and also its market-leading status. The investment ratings of the Company by Standard & Poor's remain unchanged at BBB- / Positive outlook.

Business Prospects

The Board is confident about prospects for the Group. Strong profit growth has been sustained for seven consecutive years despite the impact of the global financial crisis in the past two years. The Group was able to maintain growth in the difficult 2008 and to seize opportunities in the blossoming 2009. This demonstrates the Group's strength and flexibility. It validates the Group's focus on its core business and reflects the commitment of its staff. Moreover it demonstrates how the Group can meet challenges and emerge as the best in the industry. The year 2010 will be full of opportunities and challenges. The Group will continue to apply its longstanding maxim of "Exercise caution in details and implementation. Build a strong foundation to seek greater success." Through its hard work and persistent innovation and by continuously enhancing its operating and management capability, the Group is fully confident of its performance in 2010. Furthermore, with its solid foundation, international vision and exposure, appropriate nationwide development strategy plus excellent brand name and financial strength, the Group will continue to enhance its competitiveness. The Group is very confident that it can maintain its leadership position in the China real estate industry and achieve steady high-quality balanced growth. The Group has built a solid foundation to grow into an evergreen enterprise.

Mission

The Group strives to bring out the best value in its human resources, and places great emphasis on establishing a satisfactory operational and working environment. The Group is committed to enhancing shareholder value, raising its standards of corporate governance, moral integrity and corporate citizenship, and improving its core competitiveness through continuous innovation. The ultimate goal is to attain an outcome that is mutually beneficial for the Group, its shareholders, business associates, staff members and the community. The Board will endeavour to develop the Group into an evergreen enterprise.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR DIRECTORS' SHARE DEALING

The Company has adopted a Code of Conduct on Directors' Securities Transactions (the **"Securities Code"**) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules. The directors have confirmed that they have complied with the requirements set out in the Securities Code throughout the year ended 31 December 2009.

CORPORATE GOVERNANCE

The Company has complied throughout the year with all the provisions (except Code Provision A.4.1 and A.4.2 as stated below) of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, and with most of the Recommended Best Practices.

Code Provision A.4.1 - This Code Provision stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code Provision A.4.2 - This Code Provision stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The directors of the Company were appointed, for a term subject to retirement in accordance with the Articles of Association of the Company (**"Articles"**), which provide, amongst other things, the following:

(a) any director appointed to fill a casual vacancy shall hold office only until the next following Annual General Meeting (**"AGM"**) of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the directors who are to retire by rotation at such meeting; and

(b) at each AGM, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no director holding office as Executive Chairman or as a Managing Director shall be subject to retirement by rotation or taken into account in determining the number of directors to retire.

However, through the operation of the internal mechanism adopted by the Company below, the terms of appointment of all directors are three years or less.

(1) the newly appointed director will retire and be eligible for re-election at the next following AGM or the extraordinary general meeting held before the next following AGM; and

(2) any director (including Executive Chairman and Managing Director), who is not required by the Articles to retire by rotation at the AGM in the third year since his last election, will be reminded to retire from office voluntarily.

REVIEW OF ACCOUNTS

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2009.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

APPRECIATION

Lastly, I would like to thank the members of the Board for their outstanding leadership, the shareholders and business associates for their support and trust and the entire staff for their dedication.

By order of the Board
China Overseas Land & Investment Ltd.
Kong Qingping
Chairman

Hong Kong, 18 March 2010

As at the date of this announcement, Messrs. Kong Qingping (Chairman), Hao Jian Min (Vice Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Chen Bin, Dong Daping, Nip Yun Wing, Luo Liang and Lin Xiaofeng are the executive directors; Mr. Wu Jianbin (Vice Chairman) is the non-executive director; and Messrs. Li Kwok Po, David, Lam Kwong Siu, Wong Ying Ho, Kennedy and Madam Fan Hsu Lai Tai, Rita are the independent non-executive directors of the Company.

This final results announcement is published on the Company's website (http://www.coli.com.hk) and the website of the Stock Exchange (http://www.hkexnews.hk). The 2009 Annual Report will also be available at the aforementioned websites on/about 30 April 2010 and will be despatched to shareholders of the Company thereafter.