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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

FINANCIAL HIGHLIGHTS

1. Turnover increased by about 10% to HK$25.28 billion, with PRC property development business making up 86.9% of the total turnover. (If we take into account the turnover of the jointly controlled entities attributable to the Group, the total turnover increased to HK$28.22 billion.)

2. The gross profit margin of PRC property development was maintained at a high level of over 40%.

3. Operating profits increased by 12.2% to HK$12.23 billion. PRC, Hong Kong and Macau property development contributed HK$8.54 billion and HK$890 million respectively, making up 69.8% and 7.3% of the operating profits respectively. There was a net gain after tax of HK$2.02 billion arising from the changes in the fair value of investment properties, an increase of 60.3% comparing with the corresponding period in year 2011.

4. Profits attributable to equity shareholders of the Company increased by 17.7% to HK$8.38 billion (equivalent to RMB6.79 billion); core profits increased by 9.3% to HK$6.36 billion (equivalent to RMB5.15 billion).

5. Basic earnings per share increased by 17.7% to HK102.6 cents.

6. Sale of properties was another record high of HK$65.15 billion (PRC property sales was HK$59.08 billion), an increase of 24.7% over the corresponding period last year. Sold area was 3.95 million sq m, an increase of 28.6% (PRC property sold area was 3.90 million sq m).

7. During the period, 3 land parcels were acquired in mainland China adding GFA of about 2.72 million sq m to our land reserve, of which 1.40 million sq m was related to the land parcel acquired by China Overseas Grand Oceans Group Limited (“COGO”); the Group also acquired 1 land parcel in Hong Kong. As at end of June, the total land bank of the Group was 34.36 million sq m (attributable interest of 30.22 million sq m).

8. The Group’s consolidated net gearing ratio decreased from 32.7% as at the end of 2011 to 32.1% as at end of June. As at 30 June 2012, the Group had bank loans and guaranteed notes payable amounted respectively to HK$35.87 billion and HK$15.82 billion; bank balances and cash amounted to approximately HK$26.64 billion and unutilized banking facilities amounted to approximately HK$10.08 billion and hence HK$36.72 billion financial resources were available.

9. The shareholders’ equity of the Company increased from HK$71.62 billion (restated figure) at last year end to HK$77.95 billion, an increase of 8.8%. The book value of net asset per share was HK$9.5.

10. Interim dividend of HK15 cents per share was declared, an increase of 15.4% (2011: HK13 cents). A special dividend for celebrating the 20th listing anniversary of the Company of HK2 cents per share was also declared.

EXERCISE CAUTION IN DETAILS AND IMPLEMENTATION BUILD A STRONG FOUNDATION TO SEEK GREATER SUCCESS

The board of directors (the "**Board**") of China Overseas Land & Investment Limited (the "**Company**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2012. The consolidated profit after tax attributable to equity shareholders of the Company amounted to HK$8.38 billion, representing an increase of 17.7% as compared to the corresponding period in 2011. The earnings per share is HK102.6 cents, representing an increase of 17.7% as compared to the corresponding period in 2011.

CONDENSED CONSOLIDATED INCOME STATEMENT

The unaudited consolidated results of the Group for the six months ended 30 June 2012 and the comparative figures for the corresponding period in 2011 are as follows:

		Six months ended 30 June	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
			(restated)
Group turnover		**25,282,063**	23,012,166
Share of turnover of jointly controlled entities		**2,938,784**	1,967,197
Turnover		**28,220,847**	24,979,363
Group turnover	*3*	**25,282,063**	23,012,166
Cost of sales		**(13,833,705)**	(13,135,147)
Direct operating expenses		**(1,098,028)**	(518,445)
		10,350,330	9,358,574
Other income, gains and losses		**263,391**	859,972
Gain arising from changes in fair value of and transfer to investment properties		**2,567,402**	1,527,390
Selling and distribution costs		**(358,436)**	(226,042)
Administrative expenses		**(597,124)**	(628,389)
Operating profit		**12,225,563**	10,891,505
Gain on deemed disposal of subsidiaries		**-**	45,628
Share of profits of			
Associates		**194,210**	82,799
Jointly controlled entities		**367,678**	270,358
Finance costs	*4*	**(111,753)**	(258,447)
Profit before tax		**12,675,698**	11,031,843
Income tax expenses	*5*	**(4,253,516)**	(3,877,121)
Profit for the period		**8,422,182**	7,154,722
Attributable to:			
Owners of the Company		**8,384,721**	7,125,810
Non-controlling interests		**37,461**	28,912
		8,422,182	7,154,722
EARNINGS PER SHARE	*7*	***HK cents***	*HK cents*
Basic		**102.6**	87.2
Diluted		**102.4**	87.2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
		(restated)
Profit for the period	**8,422,182**	7,154,722
Other comprehensive (loss) income		
Exchange differences arising on translation of the Company and subsidiaries	**(364,079)**	844,530
Exchange difference on translation of associates	**(15,122)**	31,439
Exchange difference on translation of jointly controlled entities	**(45,366)**	300,961
Other comprehensive (loss) income for the period	**(424,567)**	1,176,930
Total comprehensive income for the period	**7,997,615**	8,331,652
Total comprehensive income attributable to:		
Owners of the Company	**7,962,764**	8,293,452
Non-controlling interests	**34,851**	38,200
	7,997,615	8,331,652

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2012**	31 December 2011
		HK$'000	*HK$'000*
		(unaudited)	*(restated)*
Non-current Assets			
Investment properties		**21,246,699**	17,765,372
Property, plant and equipment		**318,511**	337,635
Prepaid lease payments for land		**65,981**	68,591
Interests in associates		**3,474,791**	3,340,454
Interests in jointly controlled entities		**12,446,157**	12,668,593
Investments in syndicated property project companies		**22,776**	22,776
Amounts due from associates		**-**	88,793
Amounts due from jointly controlled entities		**5,261,954**	11,727,717
Other financial assets		**39,532**	17,417
Goodwill		**109,021**	109,021
Deferred tax assets		**1,829,741**	1,844,924
		44,815,163	47,991,293
Current Assets			
Inventories		**31,784**	30,682
Stock of properties		**103,403,924**	94,801,075
Land development expenditure		**3,055,426**	2,670,856
Prepaid lease payments for land		**2,886**	2,096
Trade and other receivables	*8*	**3,478,879**	1,850,085
Deposits and prepayments		**2,835,600**	1,858,122
Deposits for land use rights for properties held for sale		**2,743,097**	6,027,677
Amounts due from associates		**146,130**	51,743
Amounts due from jointly controlled entities		**8,077,564**	676,226
Amounts due from non-controlling interests		**360,916**	301,243
Tax prepaid		**743,479**	534,944
Bank balances and cash		**26,596,761**	19,179,381
		151,476,446	127,984,130
Current Liabilities			
Trade and other payables	*9*	**13,878,085**	16,378,354
Pre-sales deposits		**31,507,863**	24,480,225
Rental and other deposits		**709,787**	732,196
Amount due to a fellow subsidiary		**353,501**	353,428
Amounts due to associates		**269,914**	270,566
Amounts due to jointly controlled entities		**3,821,630**	3,214,042
Tax liabilities		**11,804,172**	12,680,089
Borrowings - due within one year		**10,206,574**	7,481,866
Guaranteed notes payable		**2,339,914**	2,338,416
		74,891,440	67,929,182
Net Current Assets		**76,585,006**	60,054,948
		121,400,169	108,046,241

	30 June 2012 HK$'000 (unaudited)	31 December 2011 HK$'000 (restated)
Capital and Reserves		
Share capital	**817,252**	817,252
Reserves	**77,127,991**	70,799,731
Equity attributable to owners of the Company	**77,945,243**	71,616,983
Non-controlling interests	**303,561**	273,015
Total Equity	**78,248,804**	71,889,998
Non-current Liabilities		
Borrowings - due after one year	**25,667,396**	25,113,861
Guaranteed notes payable	**13,475,967**	7,689,578
Amounts due to non-controlling interests	**1,208,006**	1,055,226
Deferred tax liabilities	**2,799,996**	2,297,578
	43,151,365	36,156,243
	121,400,169	108,046,241

Notes:

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments ("new and revised HKFRSs") issued by the HKICPA.

Amendment to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates Adopters
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

Except as described below, the application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The amendment introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sales.

The Group has reassessed the business models of the Group's investment properties located in Hong Kong and the People's Republic of China (the "PRC") individually. The carrying values of certain investment properties are expected to be recovered through use and the presumption of sale for these investment properties is rebutted. For the remaining investment properties, the Group applies the rebuttable presumption that the carrying amount of these investment properties will be recovered through sale.

The Group has adopted Amendments to HKAS 12 retrospectively and the effect of adoption on the condensed consolidated income statement and condensed consolidated statement of financial position is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Increase in profit for the period:		
Profit before tax	-	-
Income tax expenses	476,960	286,429
Profit for the period	476,960	286,429
Attributable to:		
Shareholders of the Company	476,960	286,429
Non-controlling interests	-	-
	476,960	286,429
Earnings per share	*HK cents*	*HK cents*
Basic	5.84	3.50
Diluted	5.83	3.50

	As at 30 June 2012 *HK$'000*	As at 31 December 2011 *HK$'000*
Increase (decrease) in:		
Retained Profits	476,960	1,256,794
Translation reserve	(7,633)	48,492
Total equity	469,327	1,305,286
Deferred tax liabilities	(469,327)	(1,305,286)
Total equity and liabilities	-	-

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

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKFRS 1	Government Loans[2]
Amendments to HKFRS 7	Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
Annual Improvements Project	Annual Improvements 2009-2011 Cycle[2]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the condensed consolidated financial statements.

3. Turnover and contribution

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

Property development	-	proceeds from sales of properties
Property investment	-	property rentals
Other operations	-	turnover from real estate agency and management services, construction and building design consultancy services

Segment turnover and results

The following is an analysis of the turnover and results by reportable segments.

Six months ended 30 June 2012

	Property development *HK$'000*	**Property investment** *HK$'000*	**Other operations** *HK$'000*	**Segment total** *HK$'000*
Segment turnover -from external customers	**23,762,250**	**242,517**	**1,277,296**	**25,282,063**
jointly controlled entities	**2,938,784**	**-**	**-**	**2,938,784**
Turnover of the Group and Group's share of turnover of jointly controlled entities	**26,701,034**	**242,517**	**1,277,296**	**28,220,847**
Segment profit (including share of profits of associates and jointly controlled entities)	**9,979,818**	**2,776,224**	**44,524**	**12,800,566**
Group's share of profit of jointly controlled entities	**367,678**	**-**	**-**	**367,678**

Six months ended 30 June 2011

	Property development *HK$'000*	Property investment *HK$'000*	Other operations *HK$'000*	Segment total *HK$'000*
Segment turnover -from external customers	22,194,695	180,836	636,635	23,012,166
Group's share of turnover of jointly controlled entities	1,967,197	-	-	1,967,197
Turnover of the Group and Group's share of turnover of jointly controlled entities	24,161,892	180,836	636,635	24,979,363
Segment profit (including share of profits of associates and jointly controlled entities)	9,152,843	1,681,970	27,229	10,862,042
Group's share of profit of jointly controlled entities	270,358	-	-	270,358

Note: Business tax of HK$1,129,314,000 was presented net of turnover during the six months ended 30 June 2011, and had been reclassified to cost of sales and direct operating expenses to conform to the current period presentation and market practice.

Reconciliation of reportable segment profit to the consolidated profit before tax

Segment profit represents the profit earned by each segment without allocation of gain on deemed disposal of subsidiaries, interest income, central administration costs, directors' salaries, finance costs and net foreign exchange (losses) gains. This is the measure reported to the management for the purposes of resource allocation and performance assessment.

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Reportable segment profits	**12,800,566**	10,862,042
Unallocated items:		
Interest income	**115,688**	94,010
Gain on deemed disposal of subsidiaries	**-**	45,628
Corporate expenses	**(23,978)**	(50,838)
Finance costs	**(90,359)**	(237,053)
Net foreign exchange (losses) gains	**(126,219)**	318,054
Consolidated profit before tax	**12,675,698**	11,031,843

4. Finance costs

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Interest on bank loans and guaranteed notes wholly repayable within five years	**516,400**	436,492
Interest on guaranteed notes not wholly repayable within five years	**326,132**	218,004
Interest on amounts due to non-controlling interests	**21,394**	21,394
Other finance costs	**21,330**	12,355
Total finance costs	**885,256**	688,245
Less: Amount capitalised	**(773,503)**	(429,798)
	111,753	258,447

5. Income tax expenses

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
		(restated)
Current tax:		
Hong Kong Profits Tax	**149,551**	3,072
Macau income tax	**-**	398
PRC Enterprise Income Tax ("EIT")	**1,699,260**	1,899,356
PRC withholding income tax	**58,247**	-
PRC Land Appreciation Tax ("LAT")	**1,825,263**	2,041,284
	3,732,321	3,944,110
Under(over)provision in prior years:		
Hong Kong Profits Tax	**(6)**	(26)
Macau income tax	**-**	(1,953)
EIT	**128**	(1,624)
LAT	**-**	(971)
	122	(4,574)
Deferred tax:		
Current period	**521,073**	(62,415)
Total	**4,253,516**	3,877,121

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the period.

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 of 24% in 2011 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 prevailing tax rate of 12% (2011: 12%) in Macau.

6. Dividends

On 15 June 2012, a dividend of HK20 cents (2011: final dividend of HK17 cents in respect of the financial year ended 31 December 2010) per share was paid to shareholders as the final dividend for 2011.

The Board has determined that an interim dividend of HK15 cents (2011: HK13 cents) per share and a special dividend of HK2 cents per share for celebrating the 20th listing anniversary of the Company will be paid to the shareholders of the Company whose names appear in the Register of Members on 3 September 2012.

7. Earnings per share

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of HK$8,384,721,000 (2011: HK$7,125,810,000) and on the weighted average number of 8,172,519,000 (2011: 8,172,519,000) ordinary shares in issue during the period.

The calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the Company of HK$8,372,710,000 (2011: HK$7,125,255,000) after adjusting to the profits of the Group based on diluted earning per share of COGO of HK$12,011,000 (2011: HK$555,000) and on the weighted average number of 8,175,133,000 (2011: 8,175,124,000) ordinary shares in issue and issuable after adjusting for the weighted average number of dilutive potential ordinary shares in respect of share options granted of 2,614,000 (2011: 2,605,000) ordinary shares on the assumption that all share options were exercised during the period.

8. Trade and other receivables

Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements.

Except for the proceeds receivable from sales of properties and rental income from lease of properties which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

The following is an aged analysis of trade and other receivables presented at the end of the reporting period:

	30 June 2012 *HK$'000*	31 December 2011 *HK$'000*
Trade receivables, aged		
0–30 days	**2,360,256**	774,224
31–90 days	**207,694**	289,919
Over 90 days	**242,512**	211,938
	2,810,462	1,276,081
Other receivables	**668,417**	574,004
	3,478,879	1,850,085

9. Trade and other payables

The following is an aged analysis of trade and other payables presented based on the invoice date at the end of the reporting period:

	30 June 2012 *HK$'000*	31 December 2011 *HK$'000*
Trade payables, aged		
0–30 days	**2,664,957**	6,443,905
31–90 days	**746,997**	403,840
Over 90 days	**6,068,036**	4,911,637
	9,479,990	11,759,382
Other payables	**1,722,635**	2,255,612
Retentions payable	**2,675,460**	2,363,360
	13,878,085	16,378,354

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

CHAIRMAN STATEMENT

BUSINESS REVIEW

The world economy has become more complicated and fast changing in the first half of 2012. The property market and unemployment problems in the United States still unresolved and economic recovery was slow. With the Euro zone sovereignty debt crisis worsening, the economic prospect is badly affected and the stability of the financial system of Europe is jeopardized. Major advanced economies continued to implement the various stimulus measures but with lesser effects. With momentum in the global economy weakening, many other countries including those in the emerging markets had to launch stimulus measures to ease the economic downward pressure.

Under such deteriorating economic environment abroad, the foreign trade in China continued to slow down and likely at a faster rate in the future. Fortunately, the launch of tight monetary policy in the past 2 years finally put inflation under control with the Consumer Price Index in June went up by only 2.2%. The Central Government hence has room to cut the deposit reserve requirement ratio ("RRR") thrice since last December. Also in June this year, the benchmark interest rate for loans was reduced twice. These, coupled with a series of other measures are aimed at stabilizing the economic growth. The economic growth rate in China was only 7.8% for the first half of the year, which is still slightly higher than the target of 7.5% for the whole year.

Under more and stricter tightening measures towards the China property market, speculation and investment are effectively curbed while reduction in transaction volume and softening of house prices continue. The Central Government, however, is determined that the tightening measures will continue to apply to better regulate the property market. Medium to small sized property developers who are either over-leveraged or financially weak are still under tremendous pressure. There was improvement in the land market but the symptom was not obvious.

Economic development in Hong Kong and Macau was stable and the property market was fueled with energy. The performance was good in the luxury sector which the Group is focused on.

During the period, the Group as usual reacted calmly to market changes and continued to take steps to enhance actively its overall management capability. Backing on its well established trusted brand name, shrewd judgment on the market changes and creative design and marketing, the Group provided the customers with a choice of highly differentiated and desirable products and succeeded in obtaining the recognition of the market. The property sales amount (including sales by joint ventures and associated companies) was a record high of HK$65.15 billion for the first half of the year, an increase of 24.7%; the corresponding sold area was 3.95 million sq m, an increase of 28.6%. Sales of properties in mainland China amounted to HK$59.08 billion, an increase of 17.9%; the corresponding sold area was 3.90 million sq m, an increase of 27.4%. Sales of properties in Hong Kong and Macau were satisfactory and increased substantially to HK$6.07 billion.

The business performance of the Group for the first half of year 2012 was excellent. The profit attributable to equity shareholders of the Company increased by 17.7% to a record high of HK$8.38 billion (equivalent to RMB6.79 billion), of which HK$2.02 billion was related to the increase in the fair value of the investment property portfolio. Hence, the core profit of the Group increased by 9.3% and reached HK$6.36 billion (equivalent to RMB5.15 billion).

The total turnover of the Group (not including those of the jointly controlled entities and the associated companies) was HK$25.28 billion, representing an increase of about 10% as compared to the corresponding period last year. The turnover of the Group's property development business in mainland China was HK$21.97 billion, accounting for 86.9% of the total turnover. The turnover of the Hong Kong and Macau was HK$1.79 billion, accounting for 7.1% of the total turnover. Taking into account turnover of the jointly controlled entities attributable to the Group, the total turnover increased to HK$28.22 billion.

The operating profit of the Group was HK$12.23 billion, an increase of 12.2% as compared to the corresponding period of last year. The operating profit of the property development business in mainland China was HK$8.54 billion, making up 69.8% of operating profit. The gross profit margin was maintained at a high level of over 40%. The operating profit of the property business in Hong Kong and Macau was HK$890 million, making up 7.3% of operating profit. The gross profit margin was 53.0%.

At end of June 2012, the Group's interest in joint ventures and associated companies plus amounts due from and deduct amounts due to joint ventures and associated companies amounted to HK$25.32 billion. The Group is confident that the contribution from these investments will be gradually seen. Since February 2011, China Overseas Grand Oceans Group Limited ("COGO") has become an associated company of the Group. During the period, COGO contributed profit of about HK$200 million to the Group. The joint ventures and associated companies together contributed profit amounting to HK$560 million to the Group during first half of the year.

A total of 18 projects with gross floor area ("GFA") of 1.71 million sq m were completed in 11 cities in mainland China; total saleable area of these projects was 1.27 million sq m. About 79.5% of the saleable area had been sold by end June, corresponding to an area of 1.01 million sq m and sale value of HK$15.01 billion. Furthermore, after adjusting for sales related to joint ventures, which are not recognized as turnover for the Group, and sales not recognized as Group turnover for the first half of 2012, the level of sales pertaining to projects completed in 2012 and recognized as turnover in the first half of 2012 was HK$11.62 billion. The Group's sales of properties completed before 2012 was satisfactory, with about 600,000 sq m sold for HK$12.14 billion.

The overall occupancy rate of the Group's investment properties was satisfactory. The total rental income for the period was HK$243 million, representing an increase of 34.1% as compared to the corresponding period of last year.

The Group adheres to the principle of prudent financial management and endeavours to strike a balance in the cash inflow and outflow at any period of time. During the period, the total capital expenditure for the Group was about HK$22.79 billion. The money spent was mainly on payment of land premium and development costs so as to increase the overall development scale and to speed up the development of individual projects and hence to increase the saleable resources. About HK$7.7 billion was spent on taxation expenses and operation and marketing expenses. The Group increased its effort on collecting sales proceeds and succeeded in collecting about HK$30.98 billion from the buyers (excluding joint ventures and associated companies) during the period rendering the Group's consolidated net gearing ratio improved slightly from 32.7% (at the end of 2011) to 32.1% at end of June 2012. In February, the Group seized opportunities and issued two 5-year bonds with an aggregated amount of US$ 750 million, both at a yield of 4.917%. The debt maturity profile of the Group was hence improved. Also, backing on the leading status of the Group in the property industry and high creditworthiness and amid a tight liquidity environment outside China the Company succeeded to execute a 3-year club deal agreement with 12 leading banks raising HK$7.60 billion in April. Coupled with bilateral loan agreements signed with various banks the Group raised about HK$10 billion in Hong Kong from the banking institutions. As at end of June, the financial position of the Group was in a favorable condition; the equity attributable to the shareholders of the Company were increased to HK$77.95 billion; the Group had bank loans and guaranteed notes payable amounted respectively to HK$35.87 billion and HK$15.82 billion; and bank balances and cash amounted to approximately HK$26.64 billion and unutilized banking facilities amounted to approximately HK$10.08 billion.

During the period, the investment grade rating issued by both Standard & Poor and Moody's was maintained reflecting the recognition of the market to the Group's solid and stable financial profile and its market-leading status.

PROSPECT

Increased uncertainties on the economic environment of the advanced industrial countries amid weakening momentum in the economy of the emerging markets will lead to more quantitative easing and stimulus measures by more countries. Hopefully, this will help to expedite global economy recovery. Even though the inflationary pressure has been eased the weak demand in foreign trade, investment and consumption will turn the economy of China to a difficult position in the near term. It is expected that the Central Government will launch stronger measures in a faster rate in order to stabilize the economic growth. It is anticipated by the market that there will be further reductions in the RRR and the benchmark interest rate for loans in the second half of the year so as to improve liquidity of the market. In the longer term, to ensure sustainable and healthy development of the Chinese economy, structural adjustments are needed and that productivity enhancement and industry reformation are achieved through persistent innovation.

Excellent performance of the Group under such tough market environment confirms that the strategy of developing high quality residential projects in the core areas of major mainland cities is correct. The launch of austerity measures has become an ordinary feature of the China property market. The property market in the mainland has become more mature and the major feature of such a market is branding competition. The Group will firmly push ahead with its branding strategy. The Group will continue to strengthen its financial capabilities by pursuing development, sale and cash collection in a faster manner. Through persistent innovation, articulate product design, attention to details and strict cost control, it will continue to try its utmost and explore every avenue to provide the customers with for value products.

It is generally realized that in the short term the tightening measures will not be relaxed and the property market in China is confronted with huge challenges, thus leading to consolidation of the market at a faster manner. This is favorable to the Group as more opportunities are opened to the Group under such market conditions.

It is expected that the property market in Hong Kong and Macau will consolidate at a high level and the Group will stick to the strategy of participating in the market in a moderate manner.

Backing on its team of quality professionals, shrewd market judgment, nationwide strategic development, Excellent Quality (精品) brand recognition, abundant financial resources coming from smooth funding channels in both domestic and overseas financial markets, corporate governance of international standard, and effective risk control policies and measures, the Group is fully confident that it will maintain its status as a sizable and strong nationwide real estate developer of international influence. In view of the satisfactory sales in the first half of the year, the Group decided to change its 2012 sales target to HK$100 billion.

In the first half of the year, the Group acquired 2 land parcels in 2 mainland cities while COGO acquired 1 land parcel, adding total GFA of about 2.72 million sq m to the land reserve. The Group also acquired 1 land parcel in Hong Kong. As at end June, the total land bank of the Group was 34.36 million sq m (attributable interest of about 30.22 million sq m) while COGO had land bank of about 7.50 million sq m (attributable interest of about 6.17 million sq m). Under the influence of the strict tightening measures, the property market in China has gradually rationalised. The Group will seize opportunities to expand its land bank at low cost and determine its investment scale according to the sales performance and financial resources on hand.

In July, the Group acquired 1 piece of land at Tianjin and was also awarded a contract in Hong Kong to jointly develop a project at Pak Tai Street of To Kwa Wan with the Urban Renewal Authority.

The Group strives to expedite its development through joint venture cooperation and mergers and acquisitions. The property funds set up by the Group run smoothly.

The Group will continue to take advantage of its competitive edge in having wide range of fundraising choices in and outside China so as to provide adequate financial resources to support its rapid business development. The net gearing ratio of the Group is relatively low at the moment. The Group is hence in a position to assess the changes in the investment opportunities and fundraising opportunities and to secure more funding at suitable times. The Group will stick to its prudent financial management and control well its gearing level and to hold a relatively high level of cash position.

The prospect of the Group’s property development business in China is bright and promising while that of Hong Kong and Macau is good. The Board is very confident of the future of the Group. The Group will persistently enhance its competitive advantages through improvement in its management capability, operation mode and product structure, product quality and branding. The competitive edges of the Group will lead to ample opportunities and excellent performance and the Group is confident that it can maintain its pioneer and leading position in the China property industry.

The Group will strive to achieve the corporate mission of “Sustainability, Value-adding, Harmony and Win-win”. To grow into an evergreen enterprise the Group will move steadily and firmly ahead with its strategy of continuous strengthening of corporate governance, practising a high level of corporate citizenship, thus attaining a win-win outcome for the Company, its shareholders, business associates, staff members and the community.

MANAGEMENT DISCUSSION & ANALYSIS

Overall Performance

During the six months ended 30 June 2012, the turnover of the Group was HK$25.28 billion (the corresponding period in 2011: HK$23.01 billion), representing an increase of about 10%. The operating profit was HK$12.23 billion (the corresponding period in 2011: HK$10.89 billion), representing an increase of 12.2%. Profit attributable to equity shareholders of the Company amounted to HK$8.38 billion (the corresponding period in 2011: HK$7.13 billion), representing an increase of 17.7%. Basic earnings per share was HK102.6 cents (the corresponding period in 2011: HK87.2 cents), an increase of 17.7%, while diluted earnings per share was HK102.4 cents (the corresponding period in 2011: HK87.2 cents).

As at 30 June 2012, the equity attributable to equity shareholders of the Company was HK$77.95 billion (31 December 2011: HK$71.62 billion), an increase of 8.8% as compared to the end of the previous year, while the book value of net asset per share was HK$9.5 (31 December 2011: HK$8.8), an increase of 8.0% as compared to the end of the previous year.

Property Sales

Turnover of property sales (not including those of the jointly controlled entities and the associated companies) was HK$23.76 billion, increased by 7.1%. The turnover of property sales in mainland China was HK$21.97 billion, the turnover of property sales in Hong Kong and Macau was HK$1.79 billion. Turnover from property sales mainly related to property projects such as Gold Coast in Foshan, International Community in Xian, Residence 9 and Windsor Pavilion in Beijing, 1 Oxford Road and 6 Stanley Beach Road in Hong Kong, One City South, Glorious City and International Community in Chengdu, Coastal Palace in Shanghai, Lohas Island in Suzhou and Royal Court in Changchun.

Profit from property sales (including the Group's share of result of jointly controlled entities) amounted to HK$9.98 billion, an increase of 9.0%.

Property Rental

Turnover from property rental of the Group amounted to HK$243 million, an increase of 34.1%. The rise in rental income was mainly due to higher market rent and increased contributions from new investment properties. Segment results amounted to HK$2.78 billion which include the gain arising from changes in fair value of and transfer to investment properties amounting to HK$2.57 billion (net income after deferred tax was HK$2.02 billion). Operating profit was HK$210 million, an increase of 35.1%.

Other Operations

Turnover from other operations amounted to HK$1.28 billion, an increase of 100%.

Property Development

Under such a volatile economic environment abroad, the momentum for economic growth in China has slowed down. The economic growth for the first half of the year was slightly higher than the full year target of 7.5%. Confronted with the strict tightening measures, speculation and investment in property were curbed. As the property sector tends to lead many other segments in the economy and is an effective driver for economic activity, relaxation of the tightening measures could be useful in promoting economic growth. However, the Central Government is determined to keep the tightening measures intact. Both the property price and transaction volume has reduced and many property developers are under pressure. Economic development in Hong Kong and Macau was relatively stable. The property market was quite active especially for the luxury sector which the Group is focused on.

China Overseas Property is regarded as one of the few big property developers that are operationally and financially sound and has a strong brand name. It also has a good judgment on the market changes including that the tightening measures would not be eased. Fully taking advantage of the improvement in the market sentiment in the first half of the year, the Group step up its marketing efforts and recorded satisfactory sales performance. The property sales for the first half of the year (including those of the joint ventures and associated companies) was a record high of HK$65.15 billion, an increase of 24.7% as compared with the corresponding period last year. The corresponding sales area was 3.95 million sq m, an increase of 28.6%. Sales of property in China amounted to hk$59.08 billion, an increase of 17.9%, while the corresponding sold area was 3.90 million sq m, an increase of 27.4%. Sales in Hong Kong and Macau was satisfactory and increased substantially to HK$6.07 billion.

The good performance of the Group in the first half of the year was mainly attributable to the stable profit contribution of the China property development business, accounting for 86.9% of the turnover, 69.8% of the operation profit, and with the gross profit margin staying high at above 40%.

The Group strives to expedite its development through joint venture cooperation and mergers and acquisitions. At the end of June 2012, the Group's interest in joint ventures and associated companies plus amounts due from and deduct amounts due to joint ventures and associated companies amounted to HK$25.32 billion. There were altogether 17 joint ventures. Most of the projects undertaken by joint ventures are relatively big in size or with relative big proportion of investment property element. Partners to the joint ventures are operationally and/or financially strong parties. All the joint ventures are financially sound. As at end of June 2012, there were bank and cash balances of HK$7.79 billion in aggregate against aggregate bank borrowings of HK$4.33 billion for these joint ventures. It is expected that contribution from joint venture cooperation will gradually increase. In the first half of the year, sales from joint ventures reached HK$15 billion and the turnover was HK$4.40 billion. During the period, the Group recorded a net profit of about HK$370 million. Furthermore, COGO is the major associated company of the Group. COGO reported good performance in the first half of the year with profit attributable to equity shareholders of about HK$1.3 billion. After adjusting for the profit booked by the Group when the control of COGO was acquired in 2010, the Group still had a net profit of about HK$200 million.

A total of 18 projects were completed in 11 cities in mainland China with GFA of 1.71 million sq m. The saleable areas of these completed projects were 1.27 million sq m, about 79.5% of which or an area of 1.01 million sq m has been sold by end June for HK$15.01 billion.

The major projects completed for occupation were:

City	Name of Project	Saleable area ('000 sq m)	Area sold ('000 sq m)	Sales Amount (HK$ million)
Foshan	Gold Coast Middle III	154	154	2,470
Suzhou	Lohas Island II	36	27	820
Beijing	Residence 9	94	72	1,880
Changchun	Royal Court	115	58	890
Shenyang	International Community I #	120	89	860
Chengdu	Glorious City I	157	130	1,230
Xian	International Community	175	161	2,710
Xian	Greenwood Cove #	140	137	1,220
Total		**991**	**828**	**12,080**

Joint venture projects

The Group's sales of properties held for sale were satisfactory with about 600,000 sq m sold for HK$12.14 billion. At the end of June, properties held for sale were only 1.10 million sq m, a drop of 24.1% as compared to the end of last year.

To ensure sustainable rapid growth, the Group continued to expand sources in getting high quality land reserve through various means and ways. In the first half of the year, the Group acquired 2 land parcels in Foshan and Chengdu, adding GFA of about 1.32 million sq m to its land reserve. Taking into account the 1.40 million sq m of land reserve related to the 1 land parcel acquired by COGO in Ganzhou, land with GFA of 2.72 million sq m in mainland China was acquired in the first half of the year. The Group also acquired 1 land parcel in Hong Kong at a consideration of HK$2.5 billion. As at the end of June, the total land bank of the Group was 34.36 million sq m (attributable interest of 30.22 million sq m). The Group will take into account the market change, sales result and financial resources on hand to seize opportunities to expand its land bank at low cost.

The land parcels added in the first half of year 2012 were:

City	Name of Project	Attributable Interest	Site Area ('000 sq m)	GFA ('000 sq m)
Foshan	Nanhai District Guicheng Project	100%	199	731
Hongkong	Ap Lei Chau Project	100%	3	21
Chengdu	Chengnan New District Project	100%	102	590
Ganzhou	Zhangjiang New District Project*	88%	351	1,402
Total			**655**	**2,744**

*Land acquired by COGO

The economic growth of China has reduced further to 7.8% in the second quarter of the year. It is expected that China will launch a series of stimulus measures in the second half of the year to boost the economy. In the short term, there may be some fine adjustments to the tightening measures towards property sector but general relaxation is unlikely. Transaction volume for the property market will likely be reduced further. The Group is optimistic about the medium and long term development of the mainland China property market but it will not be over-optimistic. The Group will follow closely the change in the trend of the macro economy and the regulatory environment and will address such changes effectively and in a timely manner. Faster development, sales and cash collection, articulate product design, strict cost control and delivery of value products to its customer will be the central theme of the Group's operation in future.

Notwithstanding that the market could be complicated in the remaining part of this year the Group has revised its 2012 sales target to HK$100 billion.

Since there are quite a substantial amount of pre-sales not yet booked, barring any unforeseen circumstances, the Group is confident about the result performance for the whole year.

Liquidity, Financial Resources and Debt Structure

The Group continued to adopt prudent financial policies. Finance, fund utilization and fundraising activities are subject to effective centralized management and supervision. The Group maintains reasonable gearing level and adequate cash balances.

To cope with the repayment of the matured loans and debts and to enhance the financial support to business development as well, the Group raised over HK$19 billion through the arrangement of a syndication loan and bilateral loans and bond issuance in and outside China during the first half of the year. At the same time, more efforts were spent in collecting sales proceeds. Due to the settlement of huge amount of land premium, development costs and tax expenses, the net gearing ratio (calculated by the total borrowings less bank balances and cash and divided by the shareholders' equity) of the Group was lowered slightly to 32.1% from 32.7% (restated figure) as at the end of last year. Interest cover (measured by the ratio of operating profit less interest income to the total interest expenses) was decreased from 16.2 times at the end of June 2011 to 14.3 times, still at a satisfactory level. The average borrowing costs of the Group was increased to 3.8% (total finance costs divided by the average borrowings), but could still be at the lowest level for the industry. Due to the combined effects of increased borrowing costs and increase in borrowings, the total finance costs increased to HK$890 million and by about 28.6% as compared to the corresponding period of the previous year.

As at 30 June 2012, consolidated bank borrowings and guaranteed notes of the Group amounted to HK$35.87 billion (31 December 2011: HK$32.60 billion) and HK$15.82 billion (31 December 2011: HK$10.03 billion) respectively, of which 52.4% was denominated in Hong Kong dollars, 30.6% was denominated in U.S. dollars and 17.0% was denominated in Renminbi.

As at 30 June 2012, the Group had bank balances and cash amounting to approximately HK$26.64 billion (of which 6.1% was denominated in Hong Kong dollars, 10.0% was denominated in U.S. dollars, 83.8% was denominated in Renminbi and minimal amounts were denominated in other currencies) and unutilized banking facilities amounting to approximately HK$10.08 billion. All bank borrowings of the Group were interest-bearing at floating rates.

The Group has not invested in any other derivatives either for hedging or speculative purposes. Taking into account of the potential increase in interest rates and the possible fluctuations in the exchange rate of Renminbi, the Group will prudently consider entering into currency and interest rate swap arrangements to minimize such exposures if and when appropriate.

It is expected that more investment and acquisition opportunities will be available as the consolidation of the China property industry accelerate. The Group will continue to take full advantage of its competitive edge in having various fundraising platforms in and outside China. The Group will seek opportunities to increase its financial resources so as to provide solid support to the rapid development of the Group.

Awards

During the period, the Company and China Overseas Property won numerous awards and prizes for its leading status in the property industry and consolidated strength as well as for its outstanding performance in corporate citizenship and corporate governance. In March, the Company was given by The Asset magazine “Titanium Award for Financial Performance and Social Responsibility” and “The Asset Triple A China’s Most Promising Companies 2011 (Property industry) award”. In June, the Company was granted by Corporate Governance Asia “The 8th Corporate Governance Asia Recognition Awards - The best of Asia 2012” and by the Yazhou Zhoukan “The Largest Capitalisation Company Award” in Mainland Enterprises Listed in Hong Kong Ranking.

Corporate Citizenship

The Group has always tried its utmost to discharge its corporate social responsibilities to share its success with the community. Through its hearty involvement in charitable activities, educational contributions, environment protection, quality of life improvement, customer service and staff development, the Group succeeds in promoting a harmonious community. To serve the community is the operation mission and philosophy of the Group. A committee was formed to reinforce social citizenship.

In February, about 400 staff joined “The New Territories Walk for a Million” event sponsored by the Hong Kong Community Chest. The China Overseas Charity Team actively participates in volunteer community work and was awarded a gold certificate by the Hong Kong Social Welfare Department. To fulfill its commitment to donate and build one Hope School in China every year, the construction works for the 7th China Overseas Hope School commenced in July this year. This Hope School is situated in Kaifa County of the Zhejiang Province and is expected to complete by the end of year 2012. As a leading property developer in China, while building residential units of the highest standard the Group places great emphasis on environmental protection, energy conservation, low emission of carbon so as to build a green society and ensure sustainable development of the nature.

Human Resources

The Group firmly believes that human resources are the most valuable assets of the Group and regards the human resource strategy as one of the most important strategies. Human resources are the fundamental element in the healthy development of the Group in the past few years and the key to developing into an evergreen enterprise. Human resources, financial resources and land resources are the core elements in formulating the strategy of the Group. The 3-year rolling human resources management plan was lately updated to resolve effectively the conflicts in human resources as the Group expand rapidly, to strike a balance between corporate development and staff personal development in a systematic manner, to foresee and to meet the practical and potential demand, both spiritual and physical, of the employees. This helps to protect and promote the achievement of objectives set in the human resource strategy and the persistent enhancement of the human capital.

Through the "Sons of the Sea (海之子)" and " Sea's Recruits (海納)" schemes, a large number of experienced and talented staff were added to the management team and also new blood with huge potential were recruited from famous universities. During the period, 58 staff was recruited through the "Sons of the Sea" while 177 staff were recruited through the "Sea's Recruits".

As at end June 2012, the Group had 16,266 employees. By business segment, 2,706, 12,890 and 670 employees were employed in the property development, the property management and other service sectors and Hua Yi Design respectively. By geographical location, 1,566 employees were based in Hong Kong and Macau and 14,700 employees were based in Mainland China.

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board declared the payment of an interim dividend for the six months ended 30 June 2012 of HK15 cents per share (2011: HK13 cents per share) and a special dividend for celebrating the 20th listing anniversary of the Company of HK2 cents per share, both to shareholders whose names appear on the register of members of the Company on Monday, 3 September 2012. The interim dividend and the special dividend will be payable on Thursday, 13 September 2012.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the shareholders' entitlement to the interim dividend and the special dividend, the register of members of the Company will be closed on Monday, 3 September 2012, during which time no transfer of shares will be registered.

In order to qualify for the interim dividend and the special dividend, 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 Friday, 31 August 2012.

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

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 during the six months ended 30 June 2012.

CORPORATE GOVERNANCE

During the six months ended 30 June 2012, the Company has complied with all the provisions (except Code Provision A.4.1, A.4.2 and A.6.7 as stated below) and with most of the recommended best practices of the Code on Corporate Governance Practices/Corporate Governance Code from time to time as set out in Appendix 14 to the Listing Rules.

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 number of directors 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 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. Thus the Company is merely technically not complied with Code Provision A.4.1 and A.4.2.

(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 or 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.

Code Provision A.6.7 – This Code Provision stipulates that Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

All the directors of the Company have given the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation and most of the directors (including all independent non-executive directors) were present in the annual general meeting for exchanging views with the shareholders.

Messrs. Wu Jianbin and Zheng Xuexuan, both are non-executive directors of the Company and both due to commitment in the mainland China, were unable to attend the annual general meeting of the Company held on 30 May 2012. Thus, the Company has not complied with the whole Code Provision A.6.7.

Save as disclosed above, as at 10 August 2012, the Company has not complied with Rule 3.10A of the Listing Rules which provides that an issuer must appoint independent non-executive directors representing at least one-third of the Board and it allows the issuer to comply with this rule by 31 December 2012. Nevertheless, the Company will be in early compliance with this rule from 11 August 2012 onwards after the change of the directors, as announced separately on 10 August 2012, comes into effect.

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The Audit Committee of the Board of Directors has reviewed the Company's unaudited interim results for the six months ended 30 June 2012, and discussed with the Company's management regarding auditing, internal control and other important matters

APPRECIATION

The 20th listing anniversary of the Company will be held on 23 August. I wish to express my heartfelt appreciation to the members of the Board and to the entire staff. I would also like to thank the shareholders of the Company and friends from all walks of life for their care, support and assistance in the past.

By Order of the Board
China Overseas Land & Investment Limited
Kong Qingping
Chairman

Hong Kong, 10 August 2012

As at the date of this announcement, Messrs. Kong Qingping (Chairman), Hao Jian Min (Vice Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Dong Daping, Nip Yun Wing, Luo Liang and Lin Xiaofeng are the executive directors; Messrs. Wu Jianbin (Vice Chairman) and Zheng Xuexuan are the non-executive directors; 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 interim 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 2012 Interim Report will also be available at the aforementioned websites on/about 30 August 2012 and will be despatched to shareholders of the Company thereafter.