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 2013 AND PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

FINANCIAL HIGHLIGHTS

1. Turnover increased by 27.7% to HK$82.47 billion, with the mainland property development business contributing 89.2% of the total turnover. (If the turnover of the joint ventures attributable to the Group is taken into account, the total amount increased to HK$100.47 billion.)
2. Operating profit increased to HK$28.35 billion, with the mainland property development business contributing 77.7% of the operating profit. Gross profit margin for mainland property development projects remained at a satisfactory and industry-leading level.
3. Profit attributable to equity shareholders of the Company increased by 23.1% to HK$23.04 billion, of which HK$2.62 billion was related to the net gain after tax arising from changes in the fair value of investment properties (a decrease of 10.3% compared with HK$2.92 billion in 2012). Also, there was fair value remeasurement of the Group's previously held equity interests in three projects immediately prior to acquisition of certain interests of these projects from the real estate fund amounting to HK$1.46 billion. Core profits increased by about 20.0% to HK$18.96 billion.
4. Basic earnings per share increased by 23.1% to HK$2.82; net assets per share increased by 26.2% to HK$13.5.
5. Shareholders' funds were up 26.0% to HK$109.97 billion. Average return on shareholders' funds was 23.4%.
6. Contracted sales of properties was a record high of HK$138.52 billion, while the corresponding sold area was 9.23 million sq m.
7. During the year, the Group (that is, excluding China Overseas Grand Oceans Group Limited "COGO") directly acquired 25 land parcels, adding 12.11 million sq m GFA to its land reserve; COGO acquired 13 parcels of land with a total GFA of 4.56 million sq m. At the end of the year, the Group had a land reserve of 38.77 million sq m; COGO had a land reserve of 11.66 million sq m.
8. As at 31 December 2013, the Group's debt structure further improved with the net gearing of the Group maintained at the satisfactory level of 28.4%; outstanding borrowings and guaranteed notes payable were about HK$40.01 billion and HK$32.69 billion respectively; and there was cash on hand of about HK$41.48 billion.
9. The Board proposed a final dividend of HK29 cents per share. Together with the interim dividend of HK18 cents per share, total dividends for the year were HK47 cents per share, an increase of 20.5% compared with last year (excluding the special dividend of HK2 cents per share paid last year).

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 audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013. The consolidated profit after tax attributable to equity shareholders of the Company amounted to HK$23.04 billion, representing an increase of 23.1% as compared to 2012. The earnings per share is HK$2.82, representing an increase of 23.1% as compared to 2012.

CONSOLIDATED INCOME STATEMENT

The audited consolidated results of the Group for the year ended 31 December 2013 and the comparative figures in 2012 are as follows:

	Notes	2013 HK$'000	2012 HK$'000
Turnover	2	**82,469,081**	64,580,694
Cost of sales		**(53,182,545)**	(37,574,299)
Direct operating expenses		**(2,464,519)**	(2,281,192)
		26,822,017	24,725,203
Other income and gains		**904,461**	730,881
Gain arising from changes in fair value of and transfer to investment properties		**3,438,106**	3,650,820
Selling and distribution costs		**(1,247,262)**	(842,440)
Administrative expenses		**(1,569,769)**	(1,194,135)
Operating profit		**28,347,553**	27,070,329
Fair value remeasurement of the Group's previously held equity interests in certain joint ventures immediately prior to acquisitions	9	**1,458,176**	-
Share of profits of			
Associates		**838,117**	339,515
Joint ventures		**2,935,195**	2,297,976
Finance costs	3	**(290,363)**	(285,602)
Profit before tax		**33,288,678**	29,422,218
Income tax expenses	4	**(10,109,752)**	(10,589,747)
Profit for the year		**23,178,926**	18,832,471
Attributable to:			
Owners of the Company		**23,043,712**	18,722,221
Non-controlling interests		**135,214**	110,250
		23,178,926	18,832,471
DIVIDENDS	5		
Interim dividend paid		**1,471,071**	1,225,878
Final dividend proposed		**2,370,059**	1,961,428
		3,841,130	3,187,306
Special dividend paid		**-**	163,450
		3,841,130	3,350,756
		HK$	*HK$*
EARNINGS PER SHARE	6		
Basic		**2.82**	2.29
Diluted		**2.81**	2.29

Group turnover	**82,469,081**	64,580,694
Share of turnover of joint ventures	**18,003,412**	13,327,177
	100,472,493	77,907,871

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**23,178,926**	18,832,471
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translation of the Company and subsidiaries	**2,582,366**	(75,875)
Exchange differences on translation of joint ventures	**417,860**	(12,165)
	3,000,226	(88,040)
Items that may be reclassified to profit or loss		
Exchange differences on translation of associates	**140,679**	20,750
Change in fair value of investments in syndicated property project companies	**538**	(4,407)
	141,217	16,343
Other comprehensive income for the year	**3,141,443**	(71,697)
Total comprehensive income for the year	**26,320,369**	18,760,774
Total comprehensive income attributable to:		
Owners of the Company	**26,158,834**	18,650,988
Non-controlling interests	**161,535**	109,786
	26,320,369	18,760,774

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2013 HK$'000	2012 HK$'000
Non-current Assets			
Investment properties		**32,531,661**	23,657,327
Property, plant and equipment		**1,371,196**	975,862
Prepaid lease payments for land		**156,373**	161,996
Interests in associates		**4,496,092**	3,612,633
Interests in joint ventures		**11,434,403**	13,579,848
Investments in syndicated property project companies		**18,907**	18,369
Amounts due from joint ventures		**2,843,910**	5,317,039
Pledged bank deposits		**68,179**	51,436
Goodwill		**109,021**	109,021
Deferred tax assets		**2,277,091**	2,073,652
		55,306,833	49,557,183
Current Assets			
Inventories		**28,906**	24,238
Stock of properties		**160,952,085**	108,479,874
Land development expenditure		**3,409,653**	3,271,962
Prepaid lease payments for land		**7,978**	5,105
Trade and other receivables	*7*	**2,430,978**	2,598,854
Deposits and prepayments		**5,521,776**	3,838,625
Deposits for land use rights for property development		**19,835,111**	14,136,292
Amounts due from associates		**200,441**	196,947
Amounts due from joint ventures		**5,000,978**	5,453,479
Amounts due from non-controlling interests		**526,852**	440,712
Tax prepaid		**1,889,656**	941,005
Bank balances and cash		**41,411,223**	40,880,412
		241,215,637	180,267,505
Current Liabilities			
Trade and other payables	*8*	**21,523,324**	16,916,629
Pre-sales deposits		**61,414,386**	40,506,159
Rental and other deposits		**1,202,760**	816,645
Amounts due to fellow subsidiaries		**353,501**	353,501
Amounts due to associates		**280,596**	228,520
Amounts due to joint ventures		**5,651,284**	4,590,819
Amounts due to non-controlling interests		**842,221**	-
Tax liabilities		**16,357,023**	15,017,622
Bank borrowings - due within one year		**3,302,733**	5,545,557
		110,927,828	83,975,452
Net Current Assets		**130,287,809**	96,292,053
Total Assets Less Current Liabilities		**185,594,642**	145,849,236

	2013	2012
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**817,262**	817,252
Reserves	**109,153,321**	86,426,887
Equity attributable to owners of the Company	**109,970,583**	87,244,139
Non-controlling interests	**1,079,813**	312,817
Total Equity	**111,050,396**	87,556,956
Non-current Liabilities		
Bank borrowings - due after one year	**36,708,758**	32,095,339
Guaranteed notes payable	**32,688,088**	21,147,701
Amounts due to non-controlling interests	**581,634**	2,017,849
Deferred tax liabilities	**4,565,766**	3,031,391
	74,544,246	58,292,280
	185,594,642	145,849,236

Notes:

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

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

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

The application of the above new or revised HKFRSs in the current year has had no material impact on the Group's results and financial position except for certain disclosures in respect of amendments to HKAS 1, HKFRS 12 and HKFRS 13.

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

Amendments to HKAS 19	Employee Benefits: Defined Benefit Plans - Employees Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities[1]
HK(IFRIC)-Int 21	Levies[1]
Annual Improvements Project	Annual Improvements 2010-2012 Cycle[2]
Annual Improvements Project	Annual Improvements 2011-2013 Cycle[2]

1 *Effective for annual periods beginning on or after 1 January 2014*

2 *Effective for annual periods beginning on or after 1 January 2015*

3 *Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised*

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

2. 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 management of the Group, for the purposes of resource allocation and assessment of performance. The Group's operating and reportable segments under HKFRS 8 and the types of revenue are as follows:

Property development	-	proceeds from property development activities
Property investment	-	property rentals
Other operations	-	revenue from real estate agency and management services, construction and building design consultancy services

Management closely monitors the selling activities for the property development projects carried out by its subsidiaries and joint ventures. The analysis of the Group's share of turnover of joint ventures and the share of results of joint ventures by reportable segments are regularly provided to the management of the Group for the purpose of performance assessment as they forms part of the critical components of the Group's financial performance. Therefore, management believes that the additional disclosure of the Group's share of turnover of joint ventures (in addition to the HKFRS consolidated income statement and in this note to the financial statements), together with the share of results of joint ventures by reportable segments enables the readers to better understand how management oversees the results and performance of the joint ventures in the property development segment.

Segment turnover and results

The following is an analysis of the Group's turnover and results and the Group’s share of turnover and results of joint ventures by reportable segments.

Year ended 31 December 2013

	Property development *HK$'000*	**Property investment** *HK$'000*	**Other operations** *HK$'000*	**Segments total** *HK$'000*
Segment turnover -from external customers	**78,614,818**	**857,512**	**2,996,751**	**82,469,081**
Group’s share of turnover of joint ventures	**18,003,412**	**-**	**-**	**18,003,412**
Turnover of the Group and Group’s share of turnover of joint ventures	**96,618,230**	**857,512**	**2,996,751**	**100,472,493**
Segment profit (including share of profits of associates and joint ventures)	**27,315,745**	**4,203,779**	**221,085**	**31,740,609**
Group’s share of profit of joint ventures	**2,935,195**	**-**	**-**	**2,935,195**

Year ended 31 December 2012

	Property development *HK$'000*	Property investment *HK$'000*	Other operations *HK$'000*	Segments total *HK$'000*
Segment turnover -from external customers	61,406,977	584,845	2,588,872	64,580,694
Group’s share of turnover of joint ventures	13,327,177	-	-	13,327,177
Turnover of the Group and Group’s share of turnover of joint ventures	74,734,154	584,845	2,588,872	77,907,871
Segment profit (including share of profits of associates and joint ventures)	25,151,999	4,146,927	136,534	29,435,460
Group’s share of profit of joint ventures	2,297,976	-	-	2,297,976

Reconciliation of reportable segment profit to the consolidated profit before tax

Segment profit includes profits from subsidiaries, share of profits of joint ventures and share of profits of associates. This represents the profit earned by each segment without allocation of interest income on bank deposits, fair value remeasurement of the Group’s previously held equity interest in certain joint ventures immediately prior to acquisitions, corporate expenses, finance costs and net foreign exchange gains. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

	2013	2012
	HK$'000	*HK$'000*
Reportable segment profit	**31,740,609**	29,435,460
Unallocated items:		
Interest income on bank deposits	**538,264**	269,923
Fair value remeasurement of the Group's previously held equity interests in certain joint ventures immediately prior to acquisitions	**1,458,176**	-
Corporate expenses	**(170,843)**	(75,595)
Finance costs	**(290,363)**	(242,813)
Net foreign exchange gains	**12,835**	35,243
Profit before tax	**33,288,678**	29,422,218

3. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on bank loans and guaranteed notes wholly repayable within five years	**1,428,259**	1,025,710
Interest on guaranteed notes not wholly repayable within five years	**854,954**	734,733
Other finance costs	**105,980**	107,257
Total finance costs	**2,389,193**	1,867,700
Less: Amount capitalised	**(2,098,830)**	(1,582,098)
	290,363	285,602

4. INCOME TAX EXPENSES

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
Hong Kong profits tax	**155,117**	156,547
PRC Enterprise Income Tax ("EIT")	**5,266,821**	4,785,151
PRC withholding income tax	**195,945**	146,462
PRC Land Appreciation Tax ("LAT")	**4,065,491**	5,009,322
	9,683,374	10,097,482
Under/(over)-provision in prior years:		
Hong Kong profits tax	**5,179**	(3,258)
Macau income tax	**139**	(733)
EIT	**(5,859)**	(5,720)
LAT	**(62,474)**	-
	(63,015)	(9,711)
Deferred tax:		
Current year	**489,393**	501,976
Total	**10,109,752**	10,589,747

Hong Kong profits tax is calculated at 16.5% (2012: 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, the tax rate of PRC subsidiaries is 25%.

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% (2012: 12%) in Macau.

5. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividend recognised as distributions during the year		
Interim dividend paid in respect of financial year ended 31 December 2013 of HK18 cents (2012: financial year ended 31 December 2012 interim dividend of HK15 cents and a special dividend of HK2 cents) per share	**1,471,071**	1,389,328
Final dividend paid in respect of financial year ended 31 December 2012 of HK24 cents (2012: financial year ended 31 December 2011 final dividend of HK20 cents) per share	**1,961,428**	1,634,504
	3,432,499	3,023,832

The final dividend of HK29 cents in respect of the financial year ended 31 December 2013 (2012: final dividend of HK24 cents in respect of the financial year ended 31 December 2012) per share, amounting to approximately HK$2,370,059,000 (2012: approximately HK$1,961,428,000) has been proposed by the Board 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 consolidated financial statements.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to the owners of the Company	**23,043,712**	18,722,221
Adjustment to the profit of the Group based on dilutive earnings per share of COGO (Note)	**(83,141)**	(17,398)
Earnings for the purpose of diluted earnings per share	**22,960,571**	18,704,823

	2013	2012
	'000	*'000*
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,172,586**	8,172,519
Effect of dilutive potential ordinary shares		
Share options	**2,614**	2,638
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**8,175,200**	8,175,157

Note: The earnings for the purpose of diluted earnings per share for the year have been adjusted to assume the conversion of convertible bonds of COGO during the year.

7. TRADE AND OTHER RECEIVABLES

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

Except for the proceeds from property development 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:

	2013	2012
	HK$'000	*HK$'000*
Trade receivables, aged		
0-30 days	**1,568,853**	1,518,323
31-90 days	**124,518**	159,060
Over 90 days	**254,271**	316,577
	1,947,642	1,993,960
Other receivables	**483,336**	604,894
	2,430,978	2,598,854

Before accepting any new customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality and defines credit limits by customer.

The Group has no significant trade receivable balances which are past due at the end of reporting period.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Board believes that there is no provision required as at the end of the reporting period.

8. 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:

	2013	2012
	HK$'000	*HK$'000*
Trade payables, aged		
0-30 days	**6,871,308**	4,853,870
31-90 days	**1,690,877**	929,074
Over 90 days	**4,315,527**	5,194,664
	12,877,712	10,977,608
Other payables	**2,852,189**	2,274,325
Retentions payable	**5,793,423**	3,664,696
	21,523,324	16,916,629

Other payables mainly include other taxes payable and sundry accrued charges.

Of the other payables and retentions payable, an amount of approximately HK$2,416 million (2012: HK$1,308 million) is due beyond twelve months from the end of the reporting period.

9. ACQUISITION OF SUBSIDIARIES

On 28 May 2013, China Overseas (Zhong Guo) Limited ("COZG"), an indirectly wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Harmony China Real Estate Fund, L.P. (the "Fund"), pursuant to which COZG agreed to purchase and the Fund agreed to sell relating to the sale and purchase of (i) the entire issued share capital of Popular Merit Limited ("Popular Merit") and related shareholder's loan, (ii) 30% of the entire issued share capital of Ring Tide Limited ("Ring Tide") and related shareholder's loan, and (iii) 65% of the entire issued share capital of Novel Wisdom Limited ("Novel Wisdom") and related shareholder's loan at a total cash consideration of approximately HK$2,814,552,000 (equivalent to US$362,700,000), including consideration for the shareholders' loans of approximately HK$1,641,993,000 (equivalent to US$211,597,000). Upon completion, Popular Merit, Ring Tide and Novel Wisdom became wholly-owned subsidiaries of the Company. The acquisition was completed in May 2013.

Popular Merit is an investment holding company which indirectly holds 30% interest in 中海鼎業（西安）房地產有限公司 ("Xi'an Project Company"), a company established in the PRC and is principally engaged in property development in Xi'an city, the PRC. Ring Tide is an investment holding company which indirectly holds 100% interest in 中海地產（青島）投資開發有限公司 ("Qingdao Project Company"), a company established in the PRC and is principally engaged in property development in Qingdao city, the PRC. Novel Wisdom is an investment holding company which indirectly holds 49% interest in 中海地產（瀋陽）有限公司 ("Shenyang Project Company"), a company established in the PRC and is principally engaged in property development in Shenyang city, the PRC.

Before the acquisition, the Group held 70% equity interest, 70% equity interest and 68.15% equity interest in Xi'an Project Company, Qingdao Project Company and Shenyang Project Company, respectively, which were accounted for as joint ventures of the Group. Upon completion, Xi'an Project Company, Qingdao Project Company and Shenyang Project Company became 100% owned subsidiaries of the Group and controlled by the Group.

The Group re-measured its equity interest held in Xi'an Project Company, Qingdao Project Company and Shenyang Project Company immediately prior to the acquisition date at fair value amounting to approximately HK$4,710,175,000. As a result, a fair value remeasurement of approximately HK$1,458,176,000 was recognised in the consolidated income statement.

10. EVENT AFTER THE REPORTING PERIOD

On 28 January 2014, the Company and China State Construction Engineering Corporation Limited ("CSCECL"), an intermediate holding company, entered into an Entrusted Management Agreement. Pursuant to the Entrusted Management Agreement, CSCECL agreed to entrust the Company to provide management services to 24 subsidiaries of CSCECL established in the PRC ("Entrusted Companies"), which principally engaged in real estate development and property management businesses, in respect of their business operation and administration (which include developing real estate projects of the Entrusted Companies under the existing brands and intellectual properties owned by the Company).

The commencement of the term for the purpose of determining the management fees payable has been agreed to be 1 January 2014. The Entrusted Management Agreement will be for a term of three years and the annual fees shall not exceed HK$100,000,000 for each of the three years.

The Entrusted Management Agreement does not constitute any asset injection by CSCECL to the Company as referred to in the announcement dated 5 August 2013 of the Company, and the parties will continue to negotiate actively on the implementation of the asset injection.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK29 cents per share for the year ended 31 December 2013. Together with an interim dividend of HK18 cents per share, the total dividend for the whole year amounted to HK47 cents per share, an increase of HK8 cents as compared to the total dividend (excluding the special dividend of HK2 cents per share paid last year) of HK39 cents per share for the previous year.

Subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on Monday, 26 May 2014 (the "**2014 AGM**"), the dividend warrants will be dispatched on Thursday, 3 July 2014 to shareholders whose names appear on the Register of Members of the Company on Friday, 13 June 2014.

CLOSURE OF REGISTER OF MEMBERS

Details of the book close arrangements will be announced separately by the Company in April 2014.

1. BUSINESS REVIEW

The world economy remained complicated and fast changing in 2013. Economic recovery was slow for the advanced countries in the West; economic development in Japan showed little improvement even with mega quantitative easing measures; geopolitical problems in the Middle East and Asia elevated risks in the global economy; the US Federal Reserve's plan for tapering the current quantitative easing programme has brought turbulence to global financial markets; there were clear signs of capital outflow from the emerging markets, thus increasing the economic downside risks. Amid the volatile economic environment and sluggish economic growth abroad, the Chinese Central Government continued to adopt proactive financial policies and prudent monetary policies while pushing ahead with increased investment in infrastructure, structural adjustments and the reduction of overcapacity. Foreign trade in China showed no sign of improvement while the CPI continued to drop. Weak momentum in the economy resulted in an annual economic growth rate of 7.7%, slightly above the target of 7.5%. The economic slowdown in Europe, the United States and China meant that economic growth in Hong Kong and Macau was mild.

The mainland continued to deploy stringent regulatory measures towards the property market in 2013. Even though liquidity was a bit tight, strong underlying demand led to a satisfactory level of total sales in the mainland property market for the year. There was a remarkable rise in house prices in some cities and the land market was heated. The industry showed greater polarisation and consolidation with increasing market concentration as brand developers performed better. With the slowdown in the domestic economy and liquidity tightened further in the fourth quarter, real estate financing became more difficult and expensive. Accordingly, sentiment in land transactions and housing sales cooled from its earlier strength.

Amid the normalisation of austerity measures and a highly competitive market environment, the Group achieved satisfactory growth in its sales and profits in 2013. Turnover increased by about 27.7% to HK$82.47 billion and net profits increased by 23.1% to HK$23.18 billion for the year. The profit attributable to equity shareholders of the Company increased by 23.1% to HK$23.04 billion, of which HK$2.62 billion of profit after tax was related to the increase in the fair value of the investment property portfolio. Also, there was fair value remeasurement of the Group's previously held equity interests in three projects immediately prior to acquisition of certain interests of these projects from the real estate fund amounting to HK$1.46 billion. The Group hence recorded an increase of 20.0% in its core profit to HK$18.96 billion. The Board is pleased to report to the shareholders of the Company that the consolidated net profit of the Company increased by more than 20% in each of the past 11 years (2003-2013). Over the past five years (2009-2013), the net profit attributable to shareholders has increased at a compound growth rate of 34.7% per annum while the average return on shareholders' funds reached 23.4%.

Property Development

In 2013, the target for contracted sales of properties, which was raised to HK$120 billion in August, was exceeded for another record high. Total sales of properties (including sales by joint ventures and associated companies) amounted to HK$138.52 billion, while the corresponding area sold was 9.23 million sq m. There was a cash inflow of HK$120.4 billion from sales for the Group and the joint ventures, representing a year-on-year increase of 15.2%. The pre-sales deposits for the Group and the joint ventures were HK$66.88 billion as at the end of 2013, an increase of 15.0% compared with the previous year.

In 2013, as a result of accurate judgment of market changes, targeted and innovative sales and marketing measures as well as the "China Overseas Property" branding advantage, solid results were achieved in the mainland property development sector with contracted sales of HK$136.94

billion in 2013.

As the Hong Kong Government strengthened regulation of the property market and promulgated Buyer's Stamp Duty and Special Stamp Duty, the property market in Hong Kong has entered an adjustment period, which led to a sharp drop in the number of transactions. Sales for Hong Kong and Macau for the year amounted to only HK$1.58 billion.

The turnover of the Group increased by 27.7% to HK$82.47 billion. (If the turnover of the joint ventures attributable to the Group is taken into account, the total amount increased to HK$100.47 billion, an increase of 29.0% compared with last year.) During the year, development of property (including by joint ventures) with aggregate gross floor area ("GFA") of about 8.38 million sq m was completed. The value of sales for these projects recognised as the Group's turnover in 2013 was HK$60.87 billion. Furthermore, the level of sales of properties completed as at the end of 2012 by the Group, was satisfactory with about 910,000 sq m sold for approximately HK$17.74 billion. Hence, the turnover for property development increased by 28.0% to HK$78.61 billion. The turnover for mainland property development amounted to HK$73.53 billion, an increase of 23.7%. Its gross profit margin for property development projects held steady at a satisfactory and market-leading level, while operating profit increased to HK$22.02 billion. The turnover for Hong Kong and Macau amounted to HK$5.08 billion and the operating profit was HK$1.52 billion.

Investment Properties

Unipark in Jinan was completed, adding about 60,000 sq m of completed investment properties to the Group for a total of 600,000 sq m in Hong Kong, Macau and the mainland as at the end of 2013. The overall occupancy rate of the Group's investment properties was satisfactory. The total rental income for the year was HK$860 million, representing a year-on-year increase of 48.3%; profit for the segment amounted to HK$4.20 billion, which included an increase in the fair value of investment properties amounting to HK$3.44 billion (net income after deferred tax of HK$2.62 billion).

Land Reserve

The Group continued to follow the land market closely, in order to explore opportunities for the acquisition and exploitation of prime land resources. In each case, after taking account of the economic environment, trends and liquidity in the property market, funding and development capabilities, the land reserve on hand and the quality and cost, a decision of whether to acquire land is made. Mainly because of its positive view towards the mainland property market, in the fourth quarter of the year, the Group stepped up its land acquisition efforts. During the year, 23 parcels of land were acquired by the Group (excluding China Overseas Grand Oceans Group Limited "COGO") in 16 cities in mainland China, including the newly entered Harbin, Fuzhou and Wuxi. These land parcels provided an aggregate GFA of 12.03 million sq m (interest attributable to the Group of 11.60 million sq m).

COGO acquired 13 land parcels in eight mainland cities and added GFA of 4.56 million sq m of land to its land reserve.

During 2013, the Group also purchased two parcels of land (under the Hong Kong Property for Hong Kong People measure) in the former Kai Tak Airport, with GFA of 81,780 sq m, for a total consideration of about HK$4.54 billion.

As at 31 December 2013, the Group had a total land reserve of about 38.77 million sq m (interest attributable to the Group of about 36.41 million sq m) in 29 mainland cities, Hong Kong and Macau; COGO had a total land reserve of 11.66 million sq m (attributable interest of 10.38 million sq m).

Group Finance

The Group continued to enhance financial resources and optimise its debt structure. HK$6.25 billion was raised by way of unilateral loan arrangements with several banks in Hong Kong. In end June, a HK$5.75 billion bridging loan was arranged with four banks in Hong Kong to fund the acquisition of the two land parcels under the Hong Kong Property for Hong Kong People measure. The Group undertook a bond issuance in October that raised US$1.5 billion. We had a limited number of fundraising activities in mainland China and raised only RMB2.61 billion in 2013 mainly to pay off matured bank loans. The Group raised HK$26.79 billion in 2013. After deducting the repayment of matured bank loans due, the net amount raised for the year was HK$13.64 billion. A cash inflow from sales of about HK$94.74 billion was recorded for the year and together with the net amount raised by financing and the net cash inflow of HK$7.0 billion from joint ventures, the Group had more than sufficient funds to meet its requirements, including major expenditures of HK$58.01 billion for land premiums, HK$32.22 billion for construction costs and HK$21.43 billion for tax, sales and distribution, administrative and finance expenses.

As at the end of December 2013, outstanding borrowings and guaranteed notes payable by the Group were about HK$40.01 billion (loans denominated in RMB amounted to HK$8.76 billion) and about HK$32.69 billion (US$4.25 billion) respectively; cash on hand amounted to approximately HK$41.48 billion (not including cash held by joint ventures amounting to approximately HK$13.2 billion); shareholders' funds in the Company increased from HK$87.24 billion to HK$109.97 billion; and the net gearing of the Group increased from 20.5% at the end of last year to about 28.4%, a very healthy level taking into consideration the substantial increase in land acquisitions in the fourth quarter.

In February, the Company was awarded a BBB+/Stable investment credit rating by Fitch Ratings. Subsequently, the investment grade rating issued by Moody's was upgraded to Baa1/Stable while that of Standard & Poor's was upgraded to BBB+/Stable. This reflects market recognition of the Group's solid and stable financial profile and its market-leading status. In October, for the second time, 30-year long-term bonds were issued, an achievement that reflected the confidence of the capital markets in the long-term business development of the Group.

Human Resources

The Group continues to enter new cities every year. Talent at all levels is always in great demand. The Group faces challenges in building and conserving its human resources. After assiduous promotion in recent years, the "Sons of the Sea" and "Sea's Recruits" schemes have developed into well-respected 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 2013, more than 350 outstanding graduates from leading universities in China were recruited through the "Sons of the Sea" scheme and more than 540 talented staff joined through the "Sea's Recruits" scheme. This recruitment of plentiful human resources effectively met our demand for new staff.

Corporate Governance

The Board firmly believes that its prime duty is to protect and best utilise resources in the Group to enhance value for shareholders. A high standard of corporate governance is key to improving corporate profit and facilitating sustainable development. Thus the Group strives to improve corporate governance standards to ensure efficient operation of the Group's businesses and safeguard its assets and shareholders' interests. Over the past few years, the Group has actively enhanced corporate transparency and strengthened the Group's internal controls and risk management.

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 and branded system to discharge its social responsibilities, especially in the areas of poverty alleviation, disaster relief work, educational subventions, charitable donations and community services.

Over the years, by providing resources and facilities to the China Overseas Hope Schools, the Group has greatly enhanced the education environment and capabilities in those localities. With the completion for use of the China Overseas Majin Hope School in Quzhou City, Zhejiang Province, a total of eight China Overseas Hope Schools have been duly delivered.

The Group continued to apply environmental protection and energy conservation concepts such as "low carbon" and "green construction" across 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.

The Company is again a constituent stock of the Hang Seng Corporate Sustainability Index. This reflects market recognition of the Group's efforts in corporate sustainability (including environmental protection, social responsibility and corporate governance).

Awards
In 2013, the Group received numerous awards. The Company was acknowledged as number one among "The Top 50 China Real Estate Enterprises by Brand Value". China Overseas Property was acknowledged as the "Leading Brands of China Real Estate Companies" for the tenth consecutive year, ranking first in the property sector with a brand value of RMB29.77 billion. For 10 years in a row, leveraging its excellent performance, the Company has been voted the number one "China Blue Chip Real Estate" developer. China Overseas Property projects are recognised for its excellence in quality, design and management and three Zhan Tianyou（詹天佑）awards were received in 2013.

2. PROSPECTS

Macroeconomy
It is expected that the various stimulus measures launched by the advanced countries of Europe, the United States and Japan will remain in place in 2014. The US quantitative measures tapering will intensify volatility in the global financial markets while the threat of asset bubbles and inflationary pressure in emerging markets persists. There will be some improvement in United States economic growth and the euro sovereign debt crisis, but economic growth globally will be mild. For most enterprises, 2014 will remain a challenging year. The Group will watch closely for risks and opportunities triggered by any change in the international economic environment and will implement appropriate response measures in a timely and effective manner.

In order to keep the economy on a healthy, balanced and sustainable track, and under the strategy of combating inflation and moving ahead with structural reform, the Chinese government is determined to adopt a prudent monetary policy. Liquidity in the financial markets will tend to be tight amid financial market reform and deleveraging. This in turn may have a short-term effect on economic growth momentum. And the slowdown in economic growth in China may add uncertainty to the global growth picture.

Business Development
The outstanding performance of the Group in 2013 amply demonstrated the Group's excellent operational capabilities and brand advantages. The Group is prudently optimistic about the mainland China property market in 2014. It is expected that the tough restrictive policies will likely remain in place for 2014 but the government may implement fiscal and tax reform in lieu of administrative means to get the market back on track. With the effective suppression of speculation and investment as well as the appropriate consolidation of the property industry, the PRC property market is expected to remain stable in 2014 and the whole industry presents both challenges and opportunities. The Group will take full advantage of its sound financial structure and diversified financing channels to actively increase financial resources and to seize investment opportunities including the acquisition of prime land parcels through various channels. While maintaining suitable precautions against risk, the Group will actively seek market opportunities to ensure sustainable growth, increase its market share and consolidate its leading status in the property industry. Hence, the Group is fully confident and capable of delivering a good performance even amid the normalisation of tightening measures.

To accelerate sales, it is expected that property developers in Hong Kong and Macau will launch some short-term measures in response to the regulatory measures implemented by the government. The secondary property market will remain relatively slow. The Group will still seek appropriate opportunities to expand its business in Hong Kong and Macau.

Operational Philosophy
The Group holds to its longstanding maxim of "Exercise caution in details and implementation. Build a strong foundation to seek greater success"（慎微篤行，精築致遠）. It strictly adheres to its undertakings and conducts business with complete integrity and seeks progress amid stability（穩中求進). The Group will also hold to its philosophy of practising professionalism in "Each and every detail of each and every project"（過程精品，樓樓精品）, in order to develop premium projects in the middle to high-end segments and to win the trust and respect of the market. It is not easy to maintain sustainable growth with the scale of the sales exceeding HK$100 billion every year. The Group recognises that the brand of an enterprise is its most valuable intangible asset and a vital competitive tool. Hence it firmly follows the operating philosophy of "A Trusted Brand Growing through Diligence and Care" （精耕細作，品牌經營）in order to reinforce the elite image of China Overseas Property products. The Group tries its utmost and explores every avenue to improve the quality of its projects so that each stands out and sets the pace among high-end products in the area. Through the successful launch of many high-quality, value-for-money projects in and outside China, the China Overseas Property brand is further enhanced. The brand reflects the culture of an organisation and in the case of the Company that includes the pursuit of high-quality products by China Overseas Property and the mission of providing products with value beyond the cost through continuous innovation. Branding is one of the Group's primary and effective competitive edges. A strong brand engenders trust among customers, who will pay a higher premium for a quality-assured product. Therefore, enhancement of product quality and branding is effective in mitigating the effects of lower home prices, and reducing marketing costs. By operating under such a highly regarded brand the Group is able to earn higher profits than its peers and facilitate the Group's pursuit of its long term goal of becoming an evergreen enterprise.

Sustainable Project Development
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 operations, the Group can improve its sales results and cash flow, maximise the return on its assets and ensure sustainable growth in the scale and profitability of its operations. Taking also into account the market situation,

it is planned that in 2014, the Group will commence development of an additional GFA of 12 million sq m, bringing the total area under development to a peak level of 30 million sq m; it is targeted that projects (include the joint ventures) with GFA of 10 million sq m will be completed and contracted sales (include the joint ventures and COGO) of not less than HK$140 billion will be achieved.

The Group will take advantage of the synergy generated by the highly respected “China Overseas Property” brand in the high-end sector of the mainland China property market to ensure the successful sales of the luxury projects in Hong Kong and Macau. The Group will focus on promoting the smooth development and presale of The Nova project in Sai Ying Pun and of The Carat project in Macau.

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. In the long term, the Group will work towards securing a profit contribution from investment property of over 20% of total profit. Currently, the total area of commercial property under development and yet to be developed by the Group amounts to about 4 million sq m. About 50% will be completed before 2015.

Land Replenishment

The Group will calmly meet the challenges ahead. Taking into account the cash inflow from its sales, the Group will maintain an appropriate scale of investment and capture opportunities offered by market adjustments to replenish its prime land reserve, to firmly execute its prudent land policies. It is intended that the Group will enter three or four new cities in 2014 and the replenishment of its land reserve will be not less than 10 million sq m in GFA.

Up to the end of February, 2014, the Group (excluding COGO) has in 2014 acquired seven parcels of land in seven mainland cities with a total GFA of 5.29 million sq m while COGO has acquired four parcels of land in four mainland cities with a total GFA of 2.70 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. The profit and cash flow contribution from joint ventures was significant in 2013. At the end of 2013, the amount invested by the Group in the joint ventures had been reduced to HK$13.63 billion. The profit contribution from joint ventures in 2013 showed a remarkable improvement of 27.7% to HK$2.94 billion. COGO is an associated company of the Group that focuses on third-tier mainland cities and is expected to develop rapidly in the coming years, effectively complementing the business of China Overseas Property. COGO recorded sales of HK$17.22 billion, a turnover of HK$15.91 billion and a net profit of HK$3.38 billion for the year 2013. After adjusting for the profit booked by the Group when control of COGO was acquired in 2010, the Group shared a net profit of about HK$830 million.

The real estate fund established by the Group in 2010 has been dissolved subsequent to the repurchase of all the three projects participated by the fund in May. The details of the repurchase can be found in the announcement made by the Company on 28 May 2013.

The Company announced on 5 August 2013 the intention of the controlling shareholder, China State Construction Engineering Corporation Limited (“CSCECL”), to inject certain China property businesses into the Group. The Company also announced on 28 January 2014 the transitional arrangement for the operation and management of all the businesses intended to be injected entrusted to the Company. The Group will continue to negotiate actively with CSCECL on the implementation of the asset injection and will inform shareholders of the Company timely of any major development. Please refer to the two relevant announcements for more details on the asset injection and entrustment.

Prudent Financial Management

The Group will continue to adhere to prudent financial management and will increase the speed with which it collects the proceeds of sales. The Group will tightly control its sales and marketing, administration and financial expenses and stick firmly to the principle of "Cash is king. Receipts determine payments"（現金爲王，以收定支）. While the Group has only about HK$3.3 billion of bank loans due in 2014 and the pressure on refinancing for the Group as a whole is light, it will continue to explore new fundraising channels and make full use of its fundraising platforms in the international and Hong Kong financial markets. To safeguard capacity, and hence ensure solid and plentiful funding for its business development, the Group will speed up asset turnover, improve its debt structure and enhance its ability to protect its resources, as tapering of quantitative easing measures continues and the current low-interest environment sees further adjustment.

Business Prospects

The Board is confident about the prospects for the Group and its capabilities. In the past 12 years, the Group achieved a compound annual growth rate of 41.7% in its net profit. Despite the impact of the global financial crisis and administrative tightening in the China property sector, the Group was able to overcome obstacles, maintain sustainable development and beat operational targets, and still achieved compound annual growth of 34.7% in its net profit for the past five years, demonstrating the Group's strength and brand advantage. The coming year, 2014, is expected to be complex and ever-changing as affected by the unfavourable global political and economic environment. The Group will continue to apply its longstanding maxim of "Exercise caution in details and implementation. Build a strong foundation to seek greater success."（慎微篤行，精築致遠）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 in the industry through its consistent innovation. The Group is confident that it can maintain its leadership position in the China property industry and achieve steady, high-quality balanced growth.

Mission

The Group continues to endeavour to develop itself into an evergreen enterprise. The Group continues to adopt a human resource management approach that focuses on personal development, a good working atmosphere and motivation for staff. The Group is committed to aligning individual success with the core values of the long-term development of the Group by upholding integrity, creativity, pragmatism, and perfection. The ultimate goal is to attain an outcome that is mutually beneficial for the Group, its shareholders, business associates, staff members and the community.

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2013 with all the code provisions (except A.2.1, A.4.1, A.4.2 and A.6.7 as stated below) of the Corporate Governance Code ("**Code Provision**") from time to time as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with most of the recommended best practices contained therein.

Code Provision A.2.1 — This Code Provision stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company has complied with the second part of this code (i.e. the division of responsibilities between the chairman and chief executive should be clearly established and set out in writing) throughout the year, but not the first part of this code.

Since Mr. Kong Qingping resigned as Chairman of the Company with effect from 6 August 2013, Mr. Hao Jian Min ("**Mr. Hao**") performed the roles of the Chairman and the Chief Executive Officer of the Company. In allowing the two positions to be occupied by the same person, the Company has considered that both positions require in-depth knowledge and considerable experience of the Group's business. Candidates with the requisite knowledge, experience and leadership are difficult to identify. If either of the positions is occupied by an unqualified person, the Group's performance could be gravely compromised. Based on the experience and qualification of Mr. Hao, the Board believes that the vesting of two roles to Mr. Hao would continue to provide the Group with stable and consistent leadership and continue to allow for effective and efficient planning and implementation of long term business strategies. Besides, the Board believes that the balance of power and authority will not be impaired by such arrangement as it is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

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 most of independent non-executive directors) were present in the annual general meeting for exchanging views with the shareholders.

Messrs. Kong Qingping (resigned w.e.f. 6 August 2013), Luo Liang, Guo Yong and Wong Ying Ho, Kennedy due to commitment in the mainland China, were unable to attend the annual general meeting and extraordinary general meeting of the Company both held on 30 May 2013. Thus, the Company has not complied with the whole Code Provision A.6.7.

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 2013.

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 2013.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

Following the coming into force of the new Companies Ordinance on 3 March 2014, the Board consider it necessary to seek shareholders' approval, by way of a special resolution at the coming annual general meeting, to adopt a set of new Articles to substitute the existing memorandum and articles of association of the Company and to delete the object clauses contained therein.

A circular containing, among other things, a summary of the principal provisions of the new articles of association of the Company, will be dispatched to the shareholders of the Company as soon as practicable.

APPRECIATION

Lastly, I wish to express my sincere appreciation to the shareholders and business associates for their support and trust and the entire staff for their dedication. I would also like to express my gratitude to my fellow Directors for their guidance and wise counsel.

By Order of the Board
China Overseas Land & Investment Limited
Hao Jian Min
Chairman and Chief Executive Officer

Hong Kong, 13 March 2014

As at the date of this announcement, Messrs. Hao Jian Min (Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Chen Yi, Luo Liang, Nip Yun Wing, Guo Yong and Kan Hongbo are the executive directors; Mr. Zheng Xuexuan is the non-executive director; and Messrs. Lam Kwong Siu, Wong Ying Ho, Kennedy, Li Man Bun, Brian David 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 2013 Annual Report will also be available at the aforementioned websites on/about 9 April 2014 and will be despatched to shareholders of the Company thereafter.