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 2015

FINANCIAL HIGHLIGHTS

1. Revenue increased by 6.9% to HK$148.07 billion.
2. Operating profit increased by 5.3% to HK$45.91 billion. Gross profit margin for property development projects remained at industry-leading level.
3. Profit attributable to equity shareholders of the Company increased by 22.5% to HK$33.31 billion, of which HK$5.75 billion was related to the net gain after tax arising from changes in the fair value of investment properties (an increase of 34.0% compared with HK$4.29 billion in the previous year).
4. Basic earnings per share increased by 8.4% to HK$3.61; net assets per share increased by 18.3% to HK$19.4.
5. Shareholders' funds were up 43.3% to HK$191.56 billion. Average return on shareholders' funds was 20.5%.
6. Contracted sales of properties was HK$180.63 billion, while the corresponding sold area was 12.60 million sq m.
7. During the year, the Group acquired 17 land parcels with a total GFA of 5.96 million sq m while projects injected by the parent company brought in about 10 million sq m of land resources; COGO acquired four parcels of land with a total GFA of 1.65 million sq m. At the end of the year, the Group had a land reserve of 41.44 million sq m; COGO had a land reserve of 10.93 million sq m.
8. As at 31 December 2015, the net gearing ratio of the Group was maintained at a low level of 6.8%; outstanding borrowings and notes payable were about HK$49.26 billion and HK$66.20 billion, respectively; and there was cash on hand of about HK$102.45 billion.
9. The Board proposed a final dividend of HK41 cents per share. Together with the interim dividend of HK20 cents per share and the special interim dividend of HK31 cents per share, total dividends for the year were HK92 cents per share, an increase of 67.8% compared with the previous 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 2015. The consolidated profit after tax attributable to equity shareholders of the Company amounted to HK$33.31 billion, representing an increase of 22.5% as compared to 2014. The earnings per share is HK$3.61, representing an increase of 8.4% as compared to 2014.

CONSOLIDATED INCOME STATEMENT

The audited consolidated results of the Group for the year ended 31 December 2015 and the comparative figures in 2014 are as follows:

	Notes	**2015** ***HK$'000***	2014 *HK$'000* *(Restated)*
Revenue	*3*	**148,074,399**	138,505,187
Business tax		**(7,943,748)**	(7,547,712)
Net revenue	*3*	**140,130,651**	130,957,475
Direct operating costs, exclude business tax above		**(97,819,070)**	(91,647,755)
		42,311,581	39,309,720
Other income and gains, net	*4*	**363,789**	1,914,897
Gain arising from changes in fair value of investment properties		**7,445,280**	5,636,770
Gain on disposal of a subsidiary		**-**	735,916
Selling and distribution costs		**(2,182,176)**	(1,933,388)
Administrative expenses		**(2,030,929)**	(2,056,914)
Operating profit		**45,907,545**	43,607,001
Net gain on distribution in specie	*12*	**2,512,965**	-
Share of profits of			
Associates		**349,848**	700,770
Joint ventures		**626,791**	560,627
Finance costs	*5*	**(574,025)**	(544,767)
Profit before tax		**48,823,124**	44,323,631
Income tax expenses	*6*	**(14,772,254)**	(16,572,698)
Profit for the year		**34,050,870**	27,750,933
Attributable to:			
Owners of the Company		**33,312,083**	27,200,018
Non-controlling interests		**738,787**	550,915
		34,050,870	27,750,933
		HK$	*HK$*
EARNINGS PER SHARE	*7*		
Basic		**3.61**	3.33
Diluted		**3.61**	3.33
		HK$'000	*HK$'000*
DIVIDENDS AND DISTRIBUTION IN SPECIE	*8*		
Interim dividend paid		**1,972,116**	1,634,795
Distribution in specie		**3,089,649**	-
Final dividend proposed		**4,042,838**	3,451,203
		9,104,603	5,085,998

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Profit for the year	**34,050,870**	27,750,933
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translation of the Company and its subsidiaries	**(6,384,440)**	(249,039)
Exchange differences on translation of joint ventures	**(612,811)**	(52,298)
	(6,997,251)	(301,337)
Item that may be reclassified to profit or loss		
Exchange differences on translation of associates	**(681,491)**	(21,369)
Change in fair value of investments in syndicated property project companies	**3,360**	1,966
	(678,131)	(19,403)
Other comprehensive income for the year	**(7,675,382)**	(320,740)
Total comprehensive income for the year	**26,375,488**	27,430,193
Total comprehensive income attributable to:		
Owners of the Company	**25,908,695**	26,885,543
Non-controlling interests	**466,793**	544,650
	26,375,488	27,430,193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
Non-current Assets			
Investment properties		**64,057,066**	54,920,548
Deposits for acquisition of an investment property		**166,555**	-
Property, plant and equipment		**1,222,990**	1,377,552
Prepaid lease payments for land		**127,302**	147,564
Interests in associates		**5,589,294**	6,176,612
Interests in joint ventures		**9,420,805**	10,775,156
Investments in syndicated property project companies		**24,233**	20,873
Available-for-sale investments		**31,392**	47,584
Amounts due from joint ventures		**1,971,029**	1,895,513
Pledged bank deposits		**-**	67,249
Goodwill		**64,525**	109,021
Deferred tax assets		**3,011,132**	2,967,929
		85,686,323	78,505,601
Current Assets			
Inventories		**60,304**	80,957
Stock of properties		**203,182,608**	230,483,699
Land development expenditure		**3,158,493**	1,428,682
Prepaid lease payments for land		**4,022**	8,112
Trade and other receivables	*9*	**11,203,163**	8,449,656
Deposits and prepayments		**6,759,833**	6,289,407
Deposits for land use rights for property development		**4,492,733**	15,124,018
Amount due from a fellow subsidiary		**220,423**	233,215
Amounts due from associates		**467,295**	237,951
Amounts due from joint ventures		**4,453,866**	5,053,590
Amounts due from non-controlling interests		**893,645**	982,761
Tax prepaid		**3,282,152**	2,480,014
Cash and cash equivalents		**102,445,644**	59,847,580
		340,624,181	330,699,642
Assets held for sale		**926,165**	957,903
		341,550,346	331,657,545
Current Liabilities			
Trade and other payables	*10*	**34,643,922**	42,817,746
Pre-sales deposits		**47,494,710**	55,950,373
Rental and other deposits		**1,863,896**	1,748,764
Amounts due to holding companies		**-**	40,576,725
Amounts due to fellow subsidiaries		**618,156**	372,923
Amounts due to associates		**1,053,344**	1,243,002
Amounts due to joint ventures		**1,322,733**	1,686,876
Amounts due to non-controlling interests		**960,454**	1,029,030
Tax liabilities		**18,466,252**	21,116,314
Bank borrowings - due within one year		**7,269,470**	22,541,806
		113,692,937	189,083,559
Net Current Assets		**227,857,409**	142,573,986
Total Assets Less Current Liabilities		**313,543,732**	221,079,587

	Note	2015 HK$'000	2014 HK$'000 (Restated)
Capital and Reserves			
Share capital	11	**62,434,116**	19,634,031
Reserves		**129,123,409**	114,036,452
Equity attributable to owners of the Company		**191,557,525**	133,670,483
Non-controlling interests		**5,055,420**	4,886,320
Total Equity		**196,612,945**	138,556,803
Non-current Liabilities			
Bank borrowings - due after one year		**41,986,405**	26,638,546
Notes payable		**66,200,380**	48,177,442
Amounts due to non-controlling interests		**1,238,436**	1,321,743
Deferred tax liabilities		**7,505,566**	6,385,053
		116,930,787	82,522,784
		313,543,732	221,079,587

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 HKAS 19	Employee Benefits: Defined Benefit Plans – Employee Contributions
Annual Improvements Project	Annual Improvements 2010 – 2012 Cycle
Annual Improvements Project	Annual Improvements 2011 – 2013 Cycle

The application of the above new and revised HKFRSs in the current year has had no material impact on the Group's results and financial position.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

The financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results of 2015 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2015 in due course. The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under section 406(2), 407(2) or(3) of the Hong Kong Companies Ordinance.

These consolidated financial statements comply with the applicable requirements of Hong Kong Companies Ordinance (Cap. 622), with the exception of Section 381 which requires a company to include all its subsidiary undertakings (within the meaning of Schedule 1 to Cap. 622) in the Company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 Consolidated Financial Statements so far as Section 381 applies to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provisions of Section 380(6), the Company has departed from Section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies.

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

Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendment to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Annual Improvements Project	Annual Improvements 2012 – 2014 Cycle[1]

1 *Effective for annual periods beginning on or after 1 January 2016*
2 *Effective for annual periods beginning on or after 1 January 2018*
3 *The mandatory effective date will be determined*

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

2. Basis of Preparation

Application of common control combination

Acquisition of the Acquired Group

On 7 May 2015, Alpha Progress Global Limited ("Alpha Progress"), a wholly-owned subsidiary of the Company, completed the acquisition of the entire issued share capital of Celestial Domain Investments Limited and its subsidiaries (the "Acquired Group") from King Praise Limited, a wholly owned subsidiary of China Overseas Holdings Limited ("COHL"), immediate holding company of the Company (the "Assets Acquisition"). The consideration of the Assets Acquisition is RMB1,824,000,000 (equivalent to approximately HK$2,308,770,000) which is determined by reference to the unaudited combined reassessed net assets value of the Acquired Group as at 31 January 2015. In addition, Alpha Progress will also assume shareholder loans of approximately RMB31,992,900,000 (equivalent to approximately HK$40,497,300,000) owing by the Acquired Group to China State Construction Engineering Corporation Limited ("CSCECL", the intermediate holding company of the Company) and its subsidiaries upon completion of the Assets Acquisition.

The Acquired Group is engaged in property development and investment and also own 20% equity interest in an associate, 金茂投資(長沙)有限公司, and own three joint ventures, 41% equity interest in 成都錦城中建地產開發有限公司, 50% equity interest in 成都錦府中建房地產開發有限公司 and 50% equity interest in 上海海創房地產開發有限公司 ("上海海創"), which are principally engaged in property development in the PRC. As the remaining 50% equity interest in 上海海創 is originally held by the Company prior to the Assets Acquisition, 上海海創 becomes a subsidiary of the Company after the Assets Acquisition.

As the Company and the Acquired Group were under common control of CSCECL, the transfer of the interests in the Acquired Group was considered as common control combinations. Accordingly, the consolidated financial statements of the Group for the year ended 31 December 2015, together with the comparative figures, were prepared using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as if the Acquired Group had been combined from the date when the Acquired Group first came under the control of the Group and CSCECL.

The following is a reconciliation of the effect arising from the Assets Acquisition which is accounted for under common control combination on the consolidated statement of financial position.

The consolidated statement of financial position as at 31 December 2014:

	The Group	Effect of Acquisition of the Acquired Group	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Total assets less liabilities	136,807,695	1,749,108	138,556,803
Share capital	19,634,031	-	19,634,031
Translation reserve	10,179,223	165,980	10,345,203
Merger reserve	-	786,598	786,598
Other reserves	43,779	-	43,779
PRC statutory reserve	2,874,435	489,945	3,364,380
Retained profits/ (accumulated losses)	100,602,115	(1,105,623)	99,496,492
Equity attributable to owners of the Company	133,333,583	336,900	133,670,483
Non-controlling interests	3,474,112	1,412,208	4,886,320
Total equity	136,807,695	1,749,108	138,556,803

The consolidated statement of financial position as at 31 December 2015:

	The Group	Effect of Acquisition of the Acquired Group	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Investment in the Acquired Group	2,308,770	(2,308,770)	-
Other assets less liabilities	189,017,473	7,595,472	196,612,945
Total assets less liabilities	191,326,243	5,286,702	196,612,945
Share capital	62,434,116	-	62,434,116
Translation reserve	3,186,734	(248,279)	2,938,455
Merger reserve	-	(1,522,172)	(1,522,172)
Other reserves	47,139	-	47,139
PRC statutory reserve	3,538,956	685,552	4,224,508
Retained profits	118,802,440	4,633,039	123,435,479
Equity attributable to owners of the Company	188,009,385	3,548,140	191,557,525
Non-controlling interests	3,316,858	1,738,562	5,055,420
Total equity	191,326,243	5,286,702	196,612,945

No other significant adjustments were made by the Group during the year to the net assets and net profit or loss of any entities as a result of the common control combination to achieve consistency of accounting policies.

3. Revenue 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 revenue are as follows:

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

Segment revenue and results

The following is an analysis of the Group's revenue and results (including share of profits of associates and joint ventures) by reportable segments.

Year ended 31 December 2015

	Property Development *HK$'000*	**Property investment** *HK$'000*	**Other operations** *HK$'000*	**Segments total** *HK$'000*
Segment revenue				
- from external customers	**143,694,552**	**1,915,336**	**2,464,511**	**148,074,399**
Business tax	**(7,742,600)**	**(88,823)**	**(112,325)**	**(7,943,748)**
Net revenue	**135,951,952**	**1,826,513**	**2,352,186**	**140,130,651**
Segment profit (including share of profits of associates and joint ventures)	**38,201,332**	**8,968,444**	**168,541**	**47,338,317**

Year ended 31 December 2014 (Restated)

	Property Development *HK$'000*	Property investment *HK$'000*	Other operations *HK$'000*	Segments total *HK$'000*
Segment revenue				
- from external customers	134,022,459	1,643,244	2,839,484	138,505,187
Business tax	(7,342,931)	(80,359)	(124,422)	(7,547,712)
Net revenue	126,679,528	1,562,885	2,715,062	130,957,475
Segment profit (including share of profits of associates and joint ventures)	37,543,722	6,875,652	88,661	44,508,035

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 net gain on distribution in specie, interest income on bank deposits, corporate expenses, finance costs and net foreign exchange losses charged in consolidated income statement. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Reportable segment profits	**47,338,317**	44,508,035
Unallocated items:		
Net gain on distribution in specie	**2,512,965**	-
Interest income on bank deposits	**922,373**	605,483
Corporate expenses	**(215,952)**	(224,759)
Finance costs	**(574,025)**	(544,767)
Net foreign exchange losses charged in consolidated income statement	**(1,160,554)**	(20,361)
Profit before tax	**48,823,124**	44,323,631

4. Other income and gains, net

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Other income and gains include:		
Interest income on bank deposits	**922,373**	605,483
Interest income on amounts due from joint ventures	**63,518**	80,085
Other interest income	**10**	16
Total interest income	**985,901**	685,584
Gain on disposal of investment properties	**91,559**	-
Net foreign exchange losses	**(2,320,554)**	(20,361)
Less: exchange loss arising from foreign currency borrowings capitalised (Note)	**1,160,000**	-
Net foreign exchange losses charged in consolidated income statement	**(1,160,554)**	(20,361)

Note: The amount represented the interest rate differential between borrowing costs that would be incurred if the Group's subsidiaries had borrowed funds in their functional currencies, which is capitalised to stock of properties.

5. Finance costs

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Interest on bank loans and notes wholly repayable within five years	**2,866,695**	2,151,499
Interest on notes not wholly repayable within five years	**1,353,592**	1,597,468
Interest on amounts due to holding companies	**221,720**	248,627
Other finance costs	**157,182**	122,642
Total finance costs	**4,599,189**	4,120,236
Less: amount capitalised	**(4,025,164)**	(3,575,469)
	574,025	544,767

6. Income tax expenses

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Current tax:		
Hong Kong profits tax	**39,880**	10,664
Macau income tax	**420,838**	253,612
PRC Enterprise Income Tax ("EIT")	**7,933,364**	8,928,734
PRC withholding income tax	**441,615**	219,055
PRC Land Appreciation Tax ("LAT")	**4,577,408**	6,828,462
Others	**5,956**	4,234
	13,419,061	16,244,761
(Over)/under-provision in prior years:		
Hong Kong profits tax	**(110)**	4,796
EIT	**(2,792)**	(220)
LAT	**45,561**	(57,730)
	42,659	(53,154)
Deferred tax:		
Current year	**1,310,534**	381,091
Total	**14,772,254**	16,572,698

Hong Kong profits tax is calculated at 16.5% (2014: 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% (2014: 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% (2014: 12%) in Macau.

7. 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:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to the owners of the Company	**33,312,083**	27,200,018

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**9,227,527**	8,173,502
Effect of dilutive potential ordinary shares		
Share options	**-**	1,036
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**9,227,527**	8,174,538

8. Dividends and Distribution in Specie

	2015	2014
	HK$'000	*HK$'000*
Dividends recognised as distributions during the year		
Interim dividend paid in respect of financial year ended 31 December 2015 of HK20 cents (2014: financial year ended 31 December 2014 interim dividend of HK20 cents) per share	**1,972,116**	1,634,795
Final dividend paid in respect of financial year ended 31 December 2014 of HK35 cents (2014: financial year ended 31 December 2013 final dividend of HK29 cents) per share	**3,451,203**	2,370,453
Distribution in Specie (Note 12)	**3,089,649**	-
	8,512,968	4,005,248

The final dividend of HK41 cents in respect of the financial year ended 31 December 2015 (2014: final dividend of HK35 cents in respect of the financial year ended 31 December 2014) per share, amounting to HK$4,042,838,000 (2014: HK$3,451,203,000) 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.

9. Trade and other receivables

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

Except for the proceeds from properties 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:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Trade receivables, aged		
0–30 days	**7,727,482**	5,731,418
31–90 days	**269,296**	255,188
Over 90 days	**487,364**	498,194
	8,484,142	6,484,800
Other receivables	**2,719,021**	1,964,856
	11,203,163	8,449,656

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 insignificant 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 directors of the Company believe that there is no provision required as at the end of the reporting period.

10. 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:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Trade payables, aged		
0–30 days	**6,793,726**	10,259,865
31–90 days	**1,262,568**	3,794,375
Over 90 days	**12,461,163**	13,298,273
	20,517,457	27,352,513
Other payables	**2,947,464**	5,183,914
Retentions payable	**11,179,001**	10,281,319
	34,643,922	42,817,746

Other payables mainly include other taxes payable and accrued charges.

Of the other payables and retentions payable, an amount of approximately HK$2,600 million (2014 restated: approximately HK$2,363 million) is due beyond twelve months from the end of the reporting period.

11. Share capital

	Number of Shares *'000*	*HK$'000*
Issued and fully paid		
At 1 January 2015	**8,173,976**	**19,634,031**
Issue of shares	**1,686,605**	**42,800,085**
At 31 December 2015	**9,860,581**	**62,434,116**

In connection with the Assets Acquisition and to replenish the capital resources and support future property development business of the Group and the Acquired Group after completion of the Assets Acquisition, COHL entered into a share subscription agreement to subscribe for 1,686,605,875 ordinary shares of the Company at HK$25.38 per share, with a net proceed of approximately HK$42,800,085,000.

12. Distribution in Specie

On 23 October 2015, the entire issued share capital of China Overseas Property Holdings Limited ("COPL"), the Company's wholly owned subsidiary, was spun-off via a distribution in specie by the Company, and since then COPL became a separate listed company on the Main Board of the The Stock Exchange of Hong Kong Limited. The share capital of COPL was spun-off and distributed to the owners of the Company as a special interim dividend of HK$3,089,649,000, which represents the fair value of COPL share distributed.

The distribution resulted in a non-cash gain of approximately HK$2,512,965,000, representing the difference between the fair value and the net assets value of COPL.

13. Event after the Reporting Period

On 14 March 2016, the Company (as the purchaser and the guarantor), CITIC Pacific Limited and CITIC Corporation Limited (both wholly-owned subsidiaries of CITIC Limited, as the sellers) and CITIC Limited (as the guarantor) entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), for the acquisition of the entire issued share capital of each of Tuxiana Corp. and CITIC Real Estate Group Company Limited (together with their respective subsidiaries, the "CITIC Target Group") and the outstanding loans and advance owing by the CITIC Target Group to CITIC Limited and its subsidiaries, subject to the terms and conditions in the Sale and Purchase Agreement. The CITIC Target Group shall, upon completion of the relevant reorganisation, hold the residential-focused property development projects owned by CITIC Limited. The initial consideration of the acquisition is RMB31 billion (equivalent to HK$37.08 billion, subject to the adjustments as provided in the Sale and Purchase Agreement), and shall be satisfied through (i) an amount of HK$29.72 billion to be settled by the allotment and issue of 1,095,620,154 shares of the Company at an issue price of HK$27.13 per share at completion to the sellers; and (ii) an amount of RMB6.15 billion (equivalent to HK$7.36 billion) to be settled by the transfer of a portfolio of properties at completion to the sellers. For details of the aforesaid acquisition (the "Citic Property Merger & Acquisition"), please refer to the announcement of the Company dated 14 March 2016.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK41 cents per share for the year ended 31 December 2015. Together with an interim dividend of HK20 cents per share and the special interim dividend of HK31 cents per share through the distribution in specie of the COPL shares, the total dividend for the whole year amounted to HK92 cents per share, HK37 cents increase compared with the total dividend of HK55 cents per share for the previous year.

Subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on Friday, 6 May 2016 (the "**2016 AGM**"), the dividend will be paid on Tuesday, 31 May 2016 to shareholders whose names appear on the Register of Members of the Company on Thursday, 12 May 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:-

(a) For determining the right to attend and vote at the 2016 AGM: From Thursday, 5 May 2016 to Friday, 6 May 2016 (both days inclusive).

(b) For determining the entitlement to the proposed final dividend: Thursday, 12 May 2016

Further details of the above book close arrangements will be announced separately by the Company today.

1. BUSINESS REVIEW

In 2015, the global economic picture was mixed. Development in the United States was relatively satisfactory, with firm improvement in employment, while significant drops in commodity prices and a strong dollar coupled with interest rate rises in December led to clear signs of capital outflows from emerging markets, increasing the downside risks of both economic development and currency. Economic development in the Eurozone and Japan was weak. There was slight improvement with the implementation of more easing measures; geopolitical problems in the Middle East, Europe and Asia roiled global financial markets.

Against this background of sluggish economic growth globally, the Chinese Central Government promulgated a number of measures designed to stabilise growth, including increased investment in infrastructure and a moderate easing of monetary policies to improve liquidity, with several reductions in the required reserve ratio and lending rate from November 2014. China's foreign trade showed no sign of significant improvement, while the CPI and PPI continued to drop. Weak momentum in the economy resulted in an annual economic growth rate of 6.9%, still meeting the target of about 7.0%. The global economic slowdown meant there was only mild economic growth in Hong Kong and Macau.

As China’s economic growth slowed, the Central Government relied increasingly on the property sector to promote economic development. Since 2014, tightening measures in the property sector have gradually been relaxed. Other than in the four tier-one cities, policy now generally supports the sector. Furthermore, policies on buying homes and arranging mortgages have been relaxed. All these combined to result in notable improvements in sales prices and trading volumes that facilitated inventory clearance. All in all, the property market in China was much stronger than in 2014.

In an improving market environment, the Group achieved satisfactory growth in its sales and profits in 2015. Revenue increased by about 6.9% to HK$148.07 billion. The profit attributable to the equity shareholders of the Company increased by 22.5% to HK$33.31 billion, and the net profit, after deducting HK$5.75 billion in profit after tax related to the change in the fair value of the investment property portfolio, was amounting to HK$27.56 billion. It is encouraging to note that, in a complicated and fast-changing market environment and with the scale of our operations rapidly expanding, the average return on shareholders’ funds for 2015 still reached 20.5%.

Property Development

In 2015, as a result of accurate assessment of market changes, strategic and innovative sales and marketing measures as well as leveraging the branding advantage of China Overseas Property, the target for contracted property sales, which was adjusted upwards to HK$180 billion in the middle of the year, was exceeded, setting another record high. Total property sales (including sales by joint ventures and associates) amounted to HK$180.63 billion, while the corresponding area sold was 12.60 million sq m.

The revenue of the Group increased by 6.9% to HK$148.07 billion. During the year, property business (including by joint ventures) with total gross floor area (“GFA”) of about 12.57 million sq m was completed. The sales value of these projects, recognised as the Group’s revenue in 2015, amounted to HK$114.29 billion. Furthermore, sales of properties of the Group completed by the end of 2014 increased substantially, with about 1.44 million sq m sold for approximately HK$29.40 billion. Hence, the revenue for property development increased by 7.2% to HK$143.69 billion. Mainly due to the increase in revenue, and the fact that the gross profit margin for property development projects held steady at a satisfactory and market-leading level, the operating profit generated by property development increased by 2.6% to HK$37.22 billion.

Investment Properties

The China Overseas Building in Wuhan, China Overseas Plaza Tower in Zhuhai, and China Overseas Building in Nanjing, were completed during the year along with other smaller investment projects, while the assets injection by the parent company brought in few investment properties, together adding about 590,000 sq m of completed investment properties to the Group, for a total of 1.73 million sq m in the mainland, Hong Kong, Macau and London as at the end of 2015. The overall occupancy rate of the Group's investment properties was satisfactory. The total rental income for the year was HK$1.92 billion, representing a year-on-year increase of 16.6%; profit for the segment amounted to HK$8.97 billion, which included an increase in the fair value of investment properties amounting to HK$7.45 billion (net fair value gain after deferred tax is HK$5.75 billion).

Assets Injection by Parent Company

After 21 months of diligent work, on 7 May 2015 the Company completed the acquisition of the Acquired Group (consisting of companies holding the China property portfolio and the three investment properties in London) from the controlling shareholder, CSCECL. Meanwhile, the issue of Company's shares to COHL (the "Shares Issue") was completed on 18 May 2015. This exercise reinforces the Company's position as the primary listed platform of CSCECL for its property development business, resolves the competition with the Company in the China, Hong Kong, Macau and London property business in an effective way, enlarges the scale of operation of the Group, and strengthens the capital base and the financial position of the Company. All these factors are favourable to reinforce the leading status of the Company in the China property market. Please refer to the announcements made by the Company on 24 March 2015 and on 18 May 2015 for details of the Assets Acquisition and the Shares Issue.

Spin-off of Property Management Business

On 18 May 2015, the Company made an announcement disclosing its intention to proceed with the spin-off and separate listing of its property management business by means of distribution in specie by the Company of the shares of the spun-off entity to the shareholders of the Company, as a special interim dividend. The shares of COPL were finally listed on 23 October 2015. The Board believes that the separate listing is beneficial to the development of its property management business and also facilitates the unlocking of the potential value of the assets in the Group.

Land Reserve

During the year, the Group continued to follow the land market closely and make considered decisions on land acquisitions. In response to property market changes and taking into account that about 10 million sq m of land resources were added during the assets injection exercise by the parent company, it began to slow the pace of replenishing its land reserve. A total of 17 parcels of land were acquired by the Group (excluding China Overseas Grand Oceans Group Limited, "COGO") in 13 cities in mainland China, including Haikou, which is a new location for the Group. These land parcels provided a total GFA of 5.96 million sq m, with interest attributable to the Group of 5.91 million sq m.

In 2015, COGO acquired four land parcels in three mainland cities, and added GFA of 1.65 million sq m to its land reserve.

As at 31 December 2015, the Group had a total land reserve of about 41.44 million sq m (interest attributable to the Group of about 38.50 million sq m) in 32 mainland cities, Hong Kong and

Macau; COGO had a total land reserve of 10.93 million sq m (attributable interest of 10.24 million sq m).

Group Finance

Adhering to prudent financial management, the Group continued to enhance financial resources and optimise its debt structure. Leveraging its leading position in the property market and good credit, the Group successfully launched several major offshore and onshore fundraising exercises during the year. A total of 1 billion euros was raised through two bond issuances in July and November. In a first for the Group, RMB8 billion in domestic bonds was issued in November. The Group also arranged RMB8.45 billion banking facilities in mainland China in 2015. The Group drew down HK$44 billion banking facilities in 2015. After deducting the repayment of matured bank loans due, the net amount available for operations for the year was HK$19 billion. Cash inflow from sales of about HK$138.52 billion was recorded for the year; and together with the net amount raised by financing and the net cash inflow of HK$1.24 billion from joint ventures, the Group had sufficient funds to meet its payment requirements. The major expenditures of the Group for 2015 were HK$24.67 billion for land premiums, HK$52.28 billion for construction costs, and HK$35.21 billion for tax, sales and distribution, administrative and finance expenses.

As at the end of the year, outstanding loans and notes payable by the Group were about HK$49.26 billion (loans denominated in RMB amounted to RMB12.40 billion) and about HK$66.20 billion (including US$6.25 billion, EUR1 billion and RMB8 billion) respectively; cash on hand amounted to approximately HK$102.45 billion (not including cash held by joint ventures, amounting to approximately HK$5.85 billion); and the net gearing of the Group had decreased significantly from 28.0% at the end of 2014 to a very low level of about 6.8%. The shareholders' funds of the Company increased from HK$133.67 billion at the end of the previous year to HK$191.56 billion. Hence, the Group's financial strength is significantly improved.

In 2015, the Group's investment ranking was affirmed by Moody's and Standard & Poor's at Baa1/Stable and BBB+/Stable respectively. In December, Fitch Ratings upgraded the Group's investment ranking to A-/Stable, reflecting the capital market's recognition of the Group in terms of its leadership in China's property market and financial soundness.

Human Resources

The Group continues to expand its operations and enter new cities. Talent at all levels is always in great demand. Staff recruited through the "Sons of the Sea" and "Sea's Recruits" schemes have become an important element in supporting the Group's sustainable and stable development.

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 years, the Group has consistently enhanced corporate transparency and strengthened the Group's internal controls and risk management.

Corporate Social Responsibility

The Group is committed to exercising corporate social responsibility and seeks to promote social value and harmony as a good corporate citizen. 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.

The third corporate social responsibility report, focusing on the efforts and achievements of the Group in this respect, was published during the year. 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

The Company was rated number one among "The Top 50 China Real Estate Enterprises by Brand Value". China Overseas Property ("中海地產") was acknowledged among the "Leading Brands of China Real Estate Companies" for the twelfth consecutive year, ranking first in the property sector with a brand value of RMB39.76 billion. For 12 years in a row, leveraging its excellent performance, the Company has been voted the number one "China Blue Chip Real Estate" developer. In 2015, China Overseas Property projects, are as usual, well recognised for their excellence in quality, design and management on many occasions.

2. PROSPECTS

Macroeconomy

It is expected that the global economy will remain complicated and fast changing amid sluggish growth in 2016. Concerns over the sustainability of the strong US dollar and the scale and timing of interest rate hikes as well as the further slowdown of the economic growth in China will intensify volatility in global financial markets, while the threat of asset bubbles in emerging markets remains as a result of persistent funds outflows. For most enterprises, 2016 will remain challenging. The Group will watch closely for risks and opportunities triggered by any changes in the international economic environment, and will implement appropriate response measures in a timely and effective manner.

The Chinese government is expected to adopt a prudent financial policy and to further ease monetary policy, with measures such as moving to a lower lending rate and required reserve ratio, in order to improve liquidity, reduce corporate finance costs and promote growth in the real economy.

Business Development

In an improving market environment, the Group achieved an outstanding performance in 2015, amply demonstrating its excellent operational capabilities and brand advantages. The Group is prudently optimistic about the mainland China property market in 2016. It is expected that property liquidity will improve, as more policy support from the government is forthcoming. The China property market is expected to remain stable in 2016 while market consolidation will accelerate, and the sector overall presents both challenges and opportunities. The Group will take full advantage of its sound financial structure and diverse financing channels to actively increase financial resources and proactively seize investment opportunities, including through 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.

It is expected that normal adjustment will be seen in the Hong Kong and Macau property market. 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, conducts business with complete integrity, and seeks progress amid stability（穩中求進). The Group 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 in the middle to high-end segment. The Group tries its utmost to ensure that each project stands out and sets the benchmark for high-end products in its vicinity. The brand reflects the culture of an organisation, and in the case of the Company, this includes the pursuit of high-quality products by China Overseas Property. Enhancement of product quality and branding can effectively mitigate the pressure on lowering home selling prices, and reduce marketing costs. By operating under such a highly regarded brand, the Group can earn higher profits than its peers, which facilitates 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 appropriately control the pace of its project development and sales. By leveraging its brand name, backed by innovative marketing and sales operations, the Group can improve its sales results and cash flow, and maximise the return on its assets. It is expected that the various metrics of operation in 2016 will record satisfactory growth. Taking into consideration the fact that at this moment it is not appropriate to state the impact of the lately announced Citic Property Merger & Acquisition exercise on the Group’s operation in 2016, it is not appropriate to give concrete metrics of operation in 2016. Even without taken into consideration the impact of the Citic Property Merger & Acquisition exercise, the Group still will try best to achieve contracted sales amount (include joint ventures and COGO) of not less than HK$180 billion in 2016.

Better Business Structure
The Group will continue to operate a business structure with residential development as the main element, and commercial property development in a supplemental role. It will balance the allocation of resources for long-term and short-term investment, and gradually increase its weighting on investment property in order to obtain stable long-term returns and enhance its capability to balance market risk. In the long term, the Group will work towards securing 20% of total profits from investment property. Currently, the total area of commercial property under development or yet to be developed by the Group amounts to about 3.80 million sq m. Over 50% of this area will be completed by the end of 2017.

Land Replenishment
The Group will calmly meet the challenges ahead. Taking into account its financial situation, the Group will maintain an appropriate scale of investment and will seize opportunities arising from market adjustments to replenish its prime land reserve, to resolutely execute its prudent land policies.

During the first two months of 2016, the Group acquired one parcel of land in Jinan and one parcel of land in Hong Kong (with a total GFA of 1.58 million sq m). COGO did not acquire any land parcels.

Multi-Growth Models
The Group will strive to expedite its development and expand its development scale through joint ventures and mergers and acquisitions. At the end of 2015, the amount invested by the Group in

the joint ventures reduced further to HK$14.52 billion. The profit contribution from joint ventures in 2015 was HK$630 million. COGO is an associate of the Group that focuses on property business in third-tier mainland cities. In 2015, COGO recorded sales of HK$22.0 billion, revenue of HK$16.61 billion, and a net profit of HK$920 million. The Group earned a net profit of about HK$320 million from COGO.

Under the backdrop of accelerated consolidation for the China property market, the Company seized a good opportunity and on 14 March 2016 executed the Sale and Purchase Agreement for the Citic Property Merger & Acquisition. The Board believes that the completion of the deal is beneficial to the sustained business development of the Group in future, will enhance the financial strength of the Company and increase substantially the land reserve of the Group in one shot. The deal will also has material positive effects on achieving the various metrics of operations in the next few years and thus providing a solid foundation to maintaining steady growth during the "Thirteenth Five-year period".

Prudent Financial Management

The Group will continue to enhance its financial management capability, always adhere to prudent financial management, and stick firmly to the principle of "Cash is king. Receipts determine payments"（現金為王，以收定支）. The Group will continue to explore new fundraising channels and make full use of its fundraising platforms onshore and offshore. 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. Taking into consideration the weakened Renminbi, the Group will endeavour to improve the currency profile of its debt, mainly by rapidly increasing the proportion of Renminbi debt.

Business Prospects

The Board is confident regarding the Group's prospects and capabilities. Despite the impact of the global financial crisis and administrative tightening in the China property sector in the past few years, the Group has overcome obstacles, maintained sustainable development and exceeded operational targets. The coming year, 2016, is expected to be complex and changeable, based on the 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 into an evergreen enterprise. The Group continues to adopt a human resource management approach that focuses on personal development, motivation for staff, and a good working atmosphere. The Group is committed to aligning individual success with the core values of the long-term development of the Group by maintaining integrity, creativity, pragmatism, and perfection. The ultimate goal is an outcome that is mutually beneficial for the Group, its shareholders, business associates, staff and the community.

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

During the year ended 31 December 2015, 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 2015 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 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 Provision (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 Provision.

During the year ended 31 December 2015, Mr. Hao Jian Min ("**Mr. Hao**") performed both 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 the Board which comprises experienced and high calibre individuals (including executive directors, non-executive director and 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 Articles of Association of the Company provides that:

(a) any director appointed to fill a casual vacancy shall hold office only until the next following annual general meeting 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 annual general meeting, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years at an annual general meeting of the Company.

The non-executive directors (as well as all other directors) of the Company are not appointed for a specific term as required by the first part of Code Provision A.4.1. All the directors of the Company are nevertheless subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. The Articles of Association of the Company provides that directors appointed to fill a casual vacancy shall hold office only until the next following annual general meeting (not general meeting as specified in the first part of Code Provision A.4.2, thus not complied with the first part of Code Provision A.4.2) of the Company and shall then be eligible for re-election and every Director should be subject to retirement by rotation at least once every three years at an annual general meeting of the Company. As a result of which, every director are in fact has a specific term of three years (upto the date of annual general meeting) and thus is technically not in compliance with the first part of Code Provision A.4.1.

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. The Company has convened one general meeting, other than the annual general meeting, during the year under review and all the directors (including most of the independent non-executive directors) except those mentioned below were present in the general meeting and the annual general meeting for exchanging views with the shareholders.

Due to commitment in the mainland China, Messrs. Guo Yong and Zheng Xuexuan and Madam Fan Hsu Lai Tai, Rita, were unable to attend the general meeting of the Company held on 5 May 2015 and Messrs. Guo Yong, Zheng Xuexuan and Wong Ying Ho, Kennedy were unable to attend the annual general meeting of the Company held on 16 June 2015. Thus, the Company has not complied with the whole Code Provision A.6.7.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct on governing securities transactions by directors (the "**Securities Code**") on terms no less exacting than that required under the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The directors have confirmed that they have complied with the requirements set out in the Securities Code for the year ended 31 December 2015.

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 2015.

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 2015 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 the preliminary announcement.

APPRECIATION

Lastly, I wish to express my heartfelt appreciation to the members of the Board for their outstanding leadership, the shareholders and business associates for their support and trust and the entire staff for their dedication.

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

Hong Kong, 18 March 2016

As at the date of this announcement, Messrs. Hao Jian Min (Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Luo Liang and Nip Yun Wing are the executive directors; Mr. Zheng Xuexuan is the non-executive director; and Mr. Lam Kwong Siu, Mr. 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 2015 Annual Report will also be available at the aforementioned websites on/about 6 April 2016 and will be despatched to shareholders of the Company thereafter.