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 2019

FINANCIAL HIGHLIGHTS

1. Contracted property sales increased by 25.2% to HK$377.17 billion and the corresponding sales area was 17.94 million sq m, an increase of 12.6%.

2. Revenue increased by 13.6% to RMB163.65 billion.

3. Operating profit increased to RMB62.34 billion. Gross profit margin of property development projects remained at industry-leading level.

4. Profit attributable to equity shareholders of the Company increased by 10.3% to RMB41.62 billion. The core net profit increased to RMB34.30 billion, an increase of 10.1%.

5. Basic earnings per share increased by 10.3% to RMB3.80.

6. The Group acquired 53 land parcels in 25 cities in mainland China and Hong Kong, adding a total GFA of 11.46 million sq m to the land reserve. At 31 December 2019, total land reserve of the Group Series of Companies was 89.23 million sq m.

7. At 31 December 2019, the Group had bank and other borrowings and notes payable amounted to RMB122.26 billion and RMB67.70 billion respectively; bank balances and cash amounted to RMB95.45 billion; the net gearing of the Group was at an industry-low level of 33.68%.

8. The shareholders' funds of the Company increased from RMB247.76 billion at end of 2018 to RMB280.60 billion, an increase of 13.3%. The net assets per share was RMB25.61. The return on shareholders' funds was 15.8%.

9. The Board proposed a final dividend of HK57 cents per share. Together with the interim dividend of HK45 cents per share, total cash dividends for the year were HK102 cents per share (2018: HK90 cents per share), an increase of 13.3% compared with the previous year.

Accumulate Strength for Stable and Enduring Growth

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 2019. The consolidated profit after tax attributable to equity shareholders of the Company for the year ended 31 December 2019 amounted to RMB41.62 billion, representing an increase of 10.3% as compared to 2018; basic earnings per share was RMB3.80; shareholders' funds increased by 13.3% to RMB280.60 billion; net assets per share was RMB25.61; and return on shareholders' funds was 15.8%. The Board proposed a final dividend of HK57 cents per share (equivalent to approximately RMB51 cents per share).

The audited consolidated results of the Group for the year ended 31 December 2019 and the comparative figures in 2018 are as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2019** ***RMB'000***	2018 *RMB'000* *(Restated)*
Revenue	*4*	**163,650,953**	144,027,289
Direct operating costs		**(108,570,841)**	(89,592,363)
		55,080,112	54,434,926
Other income and gains, net	*5*	**2,637,890**	927,630
Gain arising from changes in fair value of investment properties		**10,002,062**	8,746,558
Selling and distribution expenses		**(2,646,272)**	(2,202,270)
Administrative expenses		**(2,729,592)**	(2,491,934)
Operating profit		**62,344,200**	59,414,910
Share of profits of			
Associates		**2,254,638**	1,854,405
Joint ventures		**1,112,179**	1,020,061
Finance costs	*6*	**(759,297)**	(1,331,912)
Profit before tax		**64,951,720**	60,957,464
Income tax expenses	*7*	**(22,204,315)**	(21,727,807)
Profit for the year		**42,747,405**	39,229,657
Attributable to:			
Owners of the Company		**41,618,313**	37,716,257
Non-controlling interests		**1,129,092**	1,513,400
		42,747,405	39,229,657
		RMB	*RMB*
EARNINGS PER SHARE	*8*		
Basic and diluted		**3.80**	3.44
		RMB'000	*RMB'000*
DIVIDENDS	*9*		
Interim dividend paid		**4,294,283**	3,681,284
Final dividend proposed		**5,635,519**	4,771,426
		9,929,802	8,452,710

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019 *RMB'000*	2018 *RMB'000* *(Restated)*
Profit for the year	**42,747,405**	39,229,657
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Changes in fair value of investments in syndicated property project companies	**-**	(14,473)
	-	(14,473)
Items that may be reclassified to profit or loss		
Exchange differences on translation of subsidiaries of the Company	**167,004**	1,396,033
Exchange differences on translation of associates	**(124,338)**	(140,480)
	42,666	1,255,553
Other comprehensive income for the year	**42,666**	1,241,080
Total comprehensive income for the year	**42,790,071**	40,470,737
Total comprehensive income attributable to:		
Owners of the Company	**41,659,941**	38,956,692
Non-controlling interests	**1,130,130**	1,514,045
	42,790,071	40,470,737

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2019 RMB'000**	31 December 2018 RMB'000 (Restated)	1 January 2018 RMB'000 (Restated)
Non-current Assets				
Investment properties		**114,020,656**	97,516,027	80,823,233
Property, plant and equipment	*3*	**4,019,414**	3,204,320	3,235,005
Prepaid lease payments for land	*3*	**-**	464,632	477,922
Interests in associates		**12,430,239**	11,404,846	7,000,331
Interests in joint ventures		**23,876,179**	11,915,982	10,296,208
Amounts due from associates		**1,103,456**	4,309,058	7,444,927
Amounts due from joint ventures		**-**	4,004,362	5,471,919
Other receivables		**433,142**	339,170	492,334
Goodwill		**56,395**	56,395	56,395
Deferred tax assets		**7,324,745**	5,146,843	3,798,188
		163,264,226	138,361,635	119,096,462
Current Assets				
Stock of properties and other inventories		**390,982,478**	334,665,221	292,288,896
Land development expenditure		**18,046,053**	25,097,556	20,173,929
Prepaid lease payments for land	*3*	**-**	13,450	13,609
Trade and other receivables	*10*	**10,931,518**	9,723,082	8,282,173
Contract assets		**1,753,993**	1,303,204	525,944
Deposits and prepayments		**9,215,418**	8,301,458	6,033,395
Deposits for land use rights for property development		**14,026,891**	9,057,116	1,980,500
Amounts due from fellow subsidiaries		**49,680**	328,225	295,663
Amounts due from associates		**4,334,368**	6,770,454	4,572,218
Amounts due from joint ventures		**7,068,451**	6,479,936	2,477,984
Amounts due from non-controlling shareholders		**1,059,962**	1,209,715	605,015
Amounts due from CITIC Group		**-**	-	164,298
Tax prepaid		**7,715,181**	4,751,303	3,599,016
Bank balances and cash		**95,447,568**	87,885,381	86,362,010
		560,631,561	495,586,101	427,374,650
Current Liabilities				
Trade and other payables	*11*	**65,812,031**	55,446,788	44,279,588
Pre-sales proceeds		**97,939,167**	81,268,058	84,358,462
Amounts due to fellow subsidiaries and a related company		**2,556,926**	854,770	628,305
Amounts due to associates		**727,421**	1,632,186	1,683,950
Amounts due to joint ventures		**6,980,871**	7,830,812	4,503,274
Amounts due to non-controlling shareholders		**13,409,714**	13,216,209	4,194,134
Lease liabilities - due within one year	*3*	**72,040**	-	-
Tax liabilities		**38,671,775**	30,485,758	20,885,105
Bank and other borrowings - due within one year		**23,217,153**	12,784,000	11,059,397
Notes payable - due within one year		**8,861,117**	14,226,427	14,192,354
		258,248,215	217,745,008	185,784,569
Net Current Assets		**302,383,346**	277,841,093	241,590,081
Total Assets Less Current Liabilities		**465,647,572**	416,202,728	360,686,543

	Notes	31 December 2019 RMB'000	31 December 2018 RMB'000 (Restated)	1 January 2018 RMB'000 (Restated)
Capital and Reserves				
Share capital	12	**74,033,624**	74,033,624	74,033,624
Reserves		**206,570,068**	173,728,830	142,483,734
Equity attributable to owners of the Company		**280,603,692**	247,762,454	216,517,358
Non-controlling interests		**8,540,933**	8,849,400	6,387,953
Total Equity		**289,144,625**	256,611,854	222,905,311
Non-current Liabilities				
Bank and other borrowings - due after one year		**99,050,354**	87,840,629	74,912,576
Notes payable - due after one year		**58,835,801**	56,408,350	47,773,575
Amounts due to non-controlling shareholders		**2,293,675**	1,759,365	3,153,835
Lease liabilities - due after one year	3	**136,267**	-	-
Deferred tax liabilities		**16,186,850**	13,582,530	11,941,246
		176,502,947	159,590,874	137,781,232
		465,647,572	416,202,728	360,686,543

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Hong Kong Companies Ordinance (Cap. 622).

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

Certain comparative information has been reclassified to conform with current year's presentation.

The financial information relating to the years ended 31 December 2019 and 2018 included in this announcement of annual results of 2019 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 2018 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 2019 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 Sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Change of presentation currency

The Company's functional currency is Renminbi ("RMB"). The presentation currency of the Group's consolidated financial statements in the prior financial year was Hong Kong dollars ("HK$").

The Group has changed its presentation currency from HK$ to RMB for the preparation of the Group's consolidated financial statements since 2019. Having considered the principal activities of the Group such as property development and property investment are mainly conducted in the Peoples' Republic of China ("PRC") and the functional currency of subsidiaries with operation in the PRC are denominated in RMB, the directors of the Company consider that the change would result in a more appropriate presentation of the Group's transactions in the financial statements. The Group has applied the change in presentation currency retrospectively and comparative figures have been translated from HK$ to RMB. As the functional currencies of the Company and its subsidiaries remain unchanged, the change of presentation currency and restatement of the comparative figures from HK$ to RMB have had no material impact on the Group's consolidated financial statements.

For the purpose of presenting the Group's consolidated financial statements in RMB, the assets and liabilities for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period. Income and expenses for the consolidated income statement and consolidated statement of comprehensive income are translated at the average exchange rates for the financial period. The share capital and reserves are translated at the exchange rate at the date of transaction.

3. Application of New and Revised HKFRSs

In the current year, the Group has applied the following new and revised standards or amendments to HKFRSs issued by the HKICPA which are relevant to the Group:

HKFRS 16	*Leases*
Annual Improvement Project	*Annual Improvements 2015-2017 Cycle (amendments)*
Amendments to HKFRS 9	*Prepayment Features with Negative Comparison*
Amendments to Hong Kong Accounting Standard ("HKAS") 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK (IFRIC) – Int 23	*Uncertainty over Income Tax Treatments*

Except for the adoption of HKFRS 16, the application of the above new and revised standards or amendments has had no material impact on the Group's results and financial position.

HKFRS 16, *Leases*

HKFRS 16 was issued in January 2016. It resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases was removed. Under the new standard, an asset (the right-to-use the leased item) and a financial liability to pay rentals were recognised. The only exceptions are short-term and low-value leases.

The Group applied the standard from its mandatory effective date of 1 January 2019. The Group elected to apply the simplified transition approach and did not restate comparative amounts for the year prior to first adoption.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of HKAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. Right-of-use assets for leases were measured at the amount equal to the lease liabilities, and were included in "Property, Plant and Equipment" in the consolidated statement of financial position. After the initial recognition of right-of-use assets and lease liabilities at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use assets, instead of the previous accounting policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term.

The right-of-use assets and lease liabilities were recognised at 1 January 2019 and 31 December 2019 as follows:

	31 December 2019	1 January 2019
	RMB'000	*RMB'000*
Right-of-use assets	**201,189**	65,925
Lease liabilities	**208,307**	65,925

Prepaid lease payments for land of the Group amounting to RMB478,082,000 and RMB479,903,000 at 1 January 2019 and 31 December 2019 respectively were reclassified to right-of-use assets as included in "Property, plant and equipment" in the consolidated financial statements upon the adoption of HKFRS 16.

The following new standards, amendments, interpretation and improvements to existing standards, that are relevant to the Group's operation, have been issued but not yet effective for the financial year beginning on 1 January 2019 and have not been early adopted:

Amendments to HKFRS 3	*Definition of a Business*[1]
Amendments to HKAS 1 and HKAS 8	*Definition of Material*[1]
Conceptual Framework for Financial Reporting 2018[1]	
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]

1 *Effective for annual periods beginning on or after 1 January 2020*
2 *The mandatory effective date will be determined*

The Group has already commenced an assessment of the impact of the new and revised standards or 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.

4. 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 resources allocation and performance assessment. The Group's operating and reportable segments under HKFRS 8 and the types of revenue are as follows:

Property development	-	sales from property development activities
Property investment	-	property rentals
Other operations	-	revenue from hotel operation, 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 results of associates and joint ventures) by reportable segments:

Year ended 31 December 2019

	Property development *RMB'000*	**Property investment** *RMB'000*	**Other operations** *RMB'000*	**Segment total** *RMB'000*
Revenue from contracts with customers				
- **Recognised at a point in time**	**131,271,260**	**-**	**-**	**131,271,260**
- **Recognised over time**	**27,914,700**	**-**	**715,451**	**28,630,151**
	159,185,960	**-**	**715,451**	**159,901,411**
Revenue from other sources				
- **Rental income**	**-**	**3,749,542**	**-**	**3,749,542**
Segment revenue - External	**159,185,960**	**3,749,542**	**715,451**	**163,650,953**
Segment profit (including share of profits of associates and joint ventures)	**52,200,269**	**12,494,576**	**28,061**	**64,722,906**

Year ended 31 December 2018

	Property development *RMB'000* *(Restated)*	Property investment *RMB'000* *(Restated)*	Other operations *RMB'000* *(Restated)*	Segment total *RMB'000* *(Restated)*
Revenue from contracts with customers				
- Recognised at a point in time	119,233,520	-	-	119,233,520
- Recognised over time	21,077,196	-	748,419	21,825,615
	140,310,716	-	748,419	141,059,135
Revenue from other sources				
- Rental income	-	2,968,154	-	2,968,154
Segment revenue - External	140,310,716	2,968,154	748,419	144,027,289
Segment profit (including share of profits of associates and joint ventures)	52,515,873	10,467,101	79,766	63,062,740

Reconciliation of reportable segment profits to the consolidated profit before tax

Segment profits include profits from subsidiaries and share of profits of associates and joint ventures. This represents the profit earned by each segment without allocation of interest income on bank deposits, corporate expenses, finance costs and net foreign exchange gains/(losses) recognised in the consolidated income statement. This is the measure reported to the management of the Group for the purposes of resources allocation and performance assessment.

	2019 ***RMB'000***	2018 *RMB'000* *(Restated)*
Reportable segment profits	**64,722,906**	63,062,740
Unallocated items:		
Interest income on bank deposits	**1,381,607**	1,113,074
Corporate expenses	**(566,825)**	(443,202)
Finance costs	**(759,297)**	(1,331,912)
Net foreign exchange gains/(losses) recognised in the consolidated income statement	**173,329**	(1,443,236)
Consolidated profit before tax	**64,951,720**	60,957,464

5. Other income and gains, net

	2019 ***RMB'000***	2018 *RMB'000* *(Restated)*
Other income and gains, net include:		
Interest income on bank deposits	**1,381,607**	1,113,074
Interest income on amounts due from fellow subsidiaries, associates, joint ventures and non-controlling shareholders	**201,602**	390,348
Other interest income	**13,820**	10,586
Total interest income	**1,597,029**	1,514,008
Income from primary land development	**-**	350,779
Gain on disposal of investment properties	**234,587**	19,543
Gain on disposal of property, plant and equipment	**6,502**	18,165
Net foreign exchange losses	**(615,536)**	(2,405,529)
Add: Exchange losses arising from foreign currency borrowings capitalised	**788,865**	962,293
Net foreign exchange gains/(losses) recognised in the consolidated income statement	**173,329**	(1,443,236)

6. Finance costs

	2019 *RMB'000*	2018 *RMB'000* *(Restated)*
Interest on bank and other borrowings and notes payable	**7,950,336**	7,228,591
Interest on amounts due to non-controlling shareholders	**810,333**	474,507
Interest on lease liabilities and other finance costs	**209,498**	155,819
Total finance costs	**8,970,167**	7,858,917
Less: Amount capitalised	**(8,210,870)**	(6,527,005)
	759,297	1,331,912

7. Income tax expenses

	2019 *RMB'000*	2018 *RMB'000* *(Restated)*
Current tax:		
PRC Corporate Income Tax ("CIT")	**12,170,762**	11,434,829
PRC Land Appreciation Tax ("LAT")	**9,239,598**	9,629,734
PRC withholding income tax	**192,714**	10,689
Hong Kong profits tax	**59,891**	149,071
Macau income tax	**21,322**	228,411
Others	**2,908**	7,888
	21,687,195	21,460,622
(Over)/under provision in prior years:		
Hong Kong profits tax	**(713)**	2,366
	(713)	2,366
Deferred tax:		
Current year	**517,833**	264,819
Total	**22,204,315**	21,727,807

Under the Law of PRC on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of PRC subsidiaries is 25% (2018: 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.

Hong Kong profits tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profit for the year.

Macau income tax is calculated at the prevailing tax rate of 12% (2018: 12%) in Macau.

8. Earnings per share

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

	2019	2018
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company	**41,618,313**	37,716,257

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**10,956,201**	10,956,201

Pursuant to the share options granted on 29 June 2018, there were dilutive potential ordinary shares in existence during the year ended 31 December 2019, however, the impact on diluted earnings per share is insignificant for the year.

Diluted earnings per share were the same as the basic earnings per share for the year ended 31 December 2018 as there were no dilutive potential ordinary shares in existence during that year.

9. Dividends

	2019	2018
	RMB'000	*RMB'000*
		(Restated)
Dividends recognised as distributions during the year		
Interim dividend paid in respect of financial year ended 31 December 2019 of HK45 cents (2018: financial year ended 31 December 2018 interim dividend of HK40 cents) per share	**4,294,283**	3,681,284
Final dividend paid in respect of financial year ended 31 December 2018 of HK50 cents (2018: financial year ended 31 December 2017 final dividend of HK45 cents) per share	**4,771,426**	4,141,444
	9,065,709	7,822,728

The final dividend of HK57 cents per share in respect of the financial year ended 31 December 2019 (2018: final dividend of HK50 cents per share in respect of the financial year ended 31 December 2018), amounting to approximately RMB5,635,519,000 (2018 restated: RMB4,771,426,000) 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, which was calculated based on the number of ordinary shares in issue at the date of approval of the consolidated financial statements, has not been recognised as a liability in the consolidated financial statements.

10. 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 ageing analysis of trade receivables presented at the end of the reporting period:

	2019	2018
	RMB'000	*RMB'000*
		(Restated)
Trade receivables, aged		
0 – 30 days	**6,775,299**	5,221,252
31 – 90 days	**290,480**	680,548
Over 90 days	**1,207,510**	627,955
	8,273,289	6,529,755
Other receivables	**2,658,229**	3,193,327
	10,931,518	9,723,082

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.

In determining the recoverability of trade receivables, management has closely monitored the credit qualities and the collectability of these receivables and considers that the expected credit risks of them are minimal in view of the history of cooperation with them and forward looking information. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors of the Company believe that no provision is required at the end of the reporting period.

11. Trade and other payables

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

	2019	2018
	RMB'000	*RMB'000*
		(Restated)
Trade payables, aged		
0 – 30 days	**20,544,498**	15,619,795
31 – 90 days	**2,183,732**	2,860,841
Over 90 days	**21,315,096**	18,151,298
	44,043,326	36,631,934
Other payables	**10,318,488**	9,141,483
Retentions payable	**11,450,217**	9,673,371
	65,812,031	55,446,788

Other payables mainly include rental and other deposits, other taxes payable and accrued charges.

Of the other payables and retentions payable, an amount of RMB5,823,234,000 (2018 restated: RMB3,707,824,000) is due beyond twelve months from the end of the reporting period.

12. Share capital

	Number of shares		
	'000	***HK$'000***	***RMB'000***
Issued and fully paid			
At 1 January 2019 and 31 December 2019	**10,956,201**	**90,420,438**	**74,033,624**

13. Event after the reporting period

As the coronavirus disease (COVID-19) outbreak was happening in China and other countries during the first quarter in 2020, the business and economic activities have been affected. The Group will keep monitoring the situation and react actively to its impacts on the Group's business operations. Up to the date of approval of the consolidated financial statements, the related financial impact on the Group could not be reasonably estimated at this stage.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK57 cents per share for the year ended 31 December 2019. Together with an interim dividend of HK45 cents per share, the total dividend for the whole year amounted to HK102 cents per share, HK12 cents increase compared with the total dividend of HK90 cents per share for the previous year.

The proposed final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company (the "**2020 AGM**") and the final dividend warrant is expected to be despatched to the shareholders of the Company on 15 July 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2020 AGM, and entitlement to the proposed final dividend, the Company's Register of Members will be closed as set out below:

(i) For determining eligibility to attend and vote at the 2020 AGM:

- Latest time to lodge transfer documents for registration with Company's registrar and transfer office	At 4:30 p.m. on 22 June 2020
- Closure of Register of Members	23 June 2020 to 26 June 2020 (both days inclusive)
- Record date	26 June 2020

(ii) For determining entitlement to the final dividend:

- Ex-dividend date	30 June 2020
- Latest time to lodge transfer documents for registration with Company's registrar and transfer office	At 4:30 p.m. on 2 July 2020
- Closure of Register of Members	3 July 2020
- Record date	3 July 2020

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2020 AGM, and to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar and transfer office at Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than the aforementioned latest time.

CHAIRMAN'S STATEMENT

I have pleasure to report to the shareholders the audited profit attributable to equity shareholders of the Company increased by 10.3% to RMB41.62 billion; the core net profit, after deducting RMB7.32 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB34.30 billion, representing an increase of 10.1% compared to last year; basic earnings per share was RMB3.80; shareholders' funds increased to RMB280.60 billion; net assets per share was RMB25.61; and return on shareholders' funds was 15.8%. The Board proposed a final dividend of HK57 cents per share.

In 2019, the Group, together with its joint ventures and associates (collectively the "Group Series of Companies"), achieved contracted property sales of HK$377.17 billion, a year-on-year increase of 25.2%, and a sales growth rate that greatly exceeds the average of 7% achieved by the Top 100 real estate companies in the same period. Profit attributable to equity shareholders of the Company increased to RMB41.62 billion over the previous year, and core net profit increased to RMB34.30 billion, with a net profit margin of 25.4%. The Group continued to maintain industry-leading profitability.

Built on 40 years of development and having braved the challenges of numerous economic and real estate cycles, the Group cleaves to a long-term market perspective in planning the development of the enterprise. Steady and sustained long-term growth has been the Group's strategy and action guide for the past 40 years and will remain so for the 40 years ahead. The world is presently going through a period of the greatest change in a century, with much uncertainty in the external environment and frequent "black swan" and "grey rhino" events. Regardless of the times, the Group is committed to achieving long-term stable and sustainable growth for our shareholders.

In the first quarter of 2020, the Group was united in its targeted efforts against the coronavirus disease (COVID-19) outbreak while ensured the safety and protection of all employees, actively and efficiently implemented epidemic prevention and control in its properties and communities, speeded up the resume of work and production orderly, and donated anti-epidemic materials to hospitals and other institutions in cities such as Wuhan and Shenzhen. As of the end of February 2020, the Group has offered rent reduction of over RMB20 million in our shopping malls to relieve pressure on our partners. At present, the epidemic is easing in mainland China, but it is spreading in other countries around the world. The epidemic has dragged down China's economic growth, and the possibility of dragging down global economic growth and triggering a greater crisis is increasing. The Group maintains the prudent financial strategy it has always pursued, with abundant funds, financial stability and significant counter-cyclical. At the end of 2019, the Group has cash amounted to RMB95.45 billion, with liability to asset ratio of 60.06%, net gearing of 33.68% and weighted average borrowing costs of 4.21%. Both the gearing and borrowing costs were among the lowest level in the industry.

To ensure long-term steady and sustained growth, we have implemented business planning that matches long-term development trends in the real estate industry. In 2019, across the country, the area of commercial housing that was sold decreased by 0.1% year-on-year, while sales value increased by 6.5% year-on-year, indicating that higher-value first- and second-tier cities and core urban agglomerations were returning as the main drivers of market growth. The vigorous roll-out of high-speed rail and urban rail is accelerating population transfer to high-energy cities. We insist on cultivating first- and second-tier cities with higher safety margins and stronger ability to resist risk. Some 68% of the Group's new land reserves in 2019 were located in the Guangdong-Hong Kong-Macau Greater Bay Area, the Beijing-Tianjin-Hebei urban agglomeration and the Yangtze River

Delta metropolitan area. At the end of 2019, the land reserves of the Group Series of Companies totalled 89.23 million sq m, of which more than 80% was located in first- and second-tier cities. The Group holds a top-three local market share in property sales in 23 cities and achieved sales in excess of HK$10 billion in 11 major cities. Sales in Beijing exceeded HK$40 billion, while sales in Nanjing and Guangzhou exceeded HK$20 billion.

The large extent of China's real estate market and the Group's appropriate strategic business structure underpin the confident expectation of achieving long-term steady and sustained growth. Despite the growth slowdown in the real estate industry, sales of commercial housing nationwide in 2019 were still close to RMB16 trillion. We are confident that the property market in China will continue to exceed RMB10 trillion per annum and the Group is steadfast in its determination to pursue its core strategy and maintain the strategic structural balance of "today, tomorrow, and the day after tomorrow", and to allocate resources appropriately. Residential development, commercial assets management, together with new businesses including senior living, education and logistics, are the Group's main businesses of today, the growth drivers of tomorrow, and will spur growth the day after tomorrow. These three horizons are allocated 90%, 8% and 2% of resources respectively – proportions that will be maintained in the years going forward. Currently, the Group Series of Companies holds 45 Grade A office buildings, 13 shopping malls, 12 premium hotels, 2 long-term leased apartments, and 12 flexible working office projects. The Group is the largest single-ownership office development operator in China. In 2019, the Group acquired Suzhou International Fortune Plaza, and sold Block H of China Overseas International Centre in Chengdu, advancing the full-cycle management of "investment, financing, management and exit" in commercial assets, and continuing to explore the transition from commercial real estate development and operation to assets management.

We believe that long-term steady and sustained growth derives from quality management. In response to the trend of informatisation in this era of cloud-driven enterprise management, the Group has built an industry-leading digital management and control platform that covers the entire real-estate life cycle. The Group has completed and applied 65 information management systems including city maps, panoramic project management planning, three-tier customer inventory, supply-sales-inventory systems, flexible cost management, a system to illustrate design standards, smart construction sites, and a material acquisition system. Supported by the powerful digital management and control platform at the Group's headquarters, subordinated city companies and project development teams are empowered. By integrating big data within and beyond the enterprise to provide accurate policy support, the Group is realising a full-cycle business management system that is quantifiable, assessable, enabling appropriate reward and corrective action. By continuously refining management structures to improve management and control efficiency, the Group steadily strengthens the advantage of its high-quality implementation.

Customers' recognition of product and service quality is the foundation of the Group's long-term sustainable growth. The COVID-19 outbreak has heightened customer demand for healthy homes, which is in line with the Group's product philosophy of "enjoyable space, smart IoT, green technology and healthy living". To meet the needs of customers in the coming era, we have adopted "going smart" and industrialisation as the two major directions for a quality upgrade. In 2019, the Group joined hands with technology companies including Huawei to lead the research and development and application of smart communities and smart homes for the world's first 5G community, China Overseas Zhenru Mansion in Shanghai. The Group also stood out among more than 40 of its peers by participating in the preparation of two national standards: "Smart Community Construction Code" and "Smart Building Design Standard". By combining the Group's extensive industrial housing development and construction experience in Hong Kong and mainland China, we are accelerating the overall research and development of kitchen and bathroom industrial manufacturing and transforming it into the Group's product advantages. We continue to conduct customer satisfaction surveys and "mystery guest" surveys through independent third parties to check and supervise the improvement of product and service quality in all sales and in our residential communities. Over the past three years, customer satisfaction levels for the Group have increased significantly to become industry benchmarks.

The integration of personal growth into long-term corporate development is the most recognisable talent culture of the Group. Through human resources management arms such as "Sons of the Sea", "Sea's Recruits" and "Stars of the Sea", we continue to bring together outstanding talents from all corners of the world to build a first-class team that continues to learn, is willing to shoulder responsibility and perseveres through hard times, thereby continuing to fuel the sustainable growth of the Group.

As an enterprise founded in Hong Kong with deep roots in the city, the Group is optimistic about Hong Kong long-term development and continued to increase investment in it. The Group's land reserve in Hong Kong reached a record high with a total saleable value of more than HK$130 billion.

In 2020, the Central Government continues to increase counter-cyclical adjustments to ensure stable progress of the economy. Aiming to stabilise land prices, housing prices and market expectations, government policies will continue to guide the steady growth of the real estate industry. Though the release of home purchase demand has been delayed by the COVID-19 outbreak, such demand will not disappear. City-specific policies have become more targeted and flexible, which will bring more differentiated market opportunities. The Group is confident of achieving steady and sustained growth in 2020.

Last but not least, I would like to take this opportunity to express my heartfelt appreciation to my fellow directors and the entire staff for their dedication, professionalism and determination to succeed and would like to express my gratitude to the shareholders and business associates for their support and trust.

China Overseas Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

MANAGEMENT DISCUSSION & ANALYSIS

Overall Performance

During the year, the revenue of the Group increased to RMB163.65 billion (2018: RMB144.03 billion), representing an increase of 13.6% as compared to last year. The operating profit was RMB62.34 billion (2018: RMB59.41 billion), representing an increase of 4.9% as compared to last year. The gross profit margin was 33.7% and the net profit margin reached 25.4%, maintaining at industry-leading level. The ratio of selling, distribution and administrative expenses to revenue was 3.3%, which remained one of the lowest in the industry. Profit attributable to equity shareholders of the Company amounted to RMB41.62 billion (2018: RMB37.72 billion), representing an increase of 10.3%. The return on shareholders' funds was 15.8%. Basic earnings per share was RMB3.80 (2018: RMB3.44), an increase of 10.3%.

At 31 December 2019, the equity attributable to shareholders of the Company was RMB280.60 billion (2018: RMB247.76 billion), an increase of 13.3% as compared to last year end, while the net assets per share was RMB25.61 (2018: RMB22.61). At the end of December, the Group's financial position was good with ample cash resources of RMB95.45 billion and net gearing of 33.68%.

Property Development

During the year, the Group's revenue from property development was RMB159.19 billion (2018: RMB140.31 billion), mainly related to property projects including Paramount Jade in Jinan, UNIONE in Shanghai, One Blossom Cove in Guangzhou, Elite Villa in Beijing, COLI City in Shenyang, Glory City in Chengdu, Upper East and Urban Bay in Suzhou, Maple Mansion in Ningbo, La Cite in Wuxi.

Segment profit (including the Group's share of profits of associates and joint ventures) amounted to RMB52.20 billion (2018: RMB52.52 billion).

During the year, the Group Series of Companies (excluding China Overseas Grand Oceans Group Limited ("COGO")) completed 95 projects with a total area of 16.34 million sq m in 30 cities in mainland China and in Hong Kong.

The table below shows the area of projects completed by region in 2019:

City	Total Area ('000 sq m)
Hua Nan Region	
Foshan	684
Guangzhou	656
Fuzhou	390
Xiamen	250
Changsha	210
Hainan	155
Zhuhai	137
Shenzhen	31
Sub-total	**2,513**
Hua Dong Region	
Suzhou	1,060
Nanchang	681
Ningbo	627
Shanghai	350
Nanjing	211
Sub-total	**2,929**
Hua Bei Region	
Jinan	1,957
Beijing	841
Zhengzhou	524
Taiyuan	217
Wuhan	168
Tianjin	147
Sub-total	**3,854**
Northern Region	
Changchun	1,101
Shenyang	990
Qingdao	656
Yantai	352
Harbin	220
Dalian	153
Sub-total	**3,472**
Western Region	
Chengdu	1,249
Chongqing	947
Xi'an	868
Xinjiang	259
Kunming	244
Sub-total	**3,567**
Hong Kong and Macau	**1**
Total	**16,336**

During the year, the Group acquired 53 land parcels in 25 cities in mainland China and in Hong Kong, adding a total GFA of 11.46 million sq m to the land reserve (attributable interest of 10.97 million sq m). The total land premium was RMB148.52 billion (attributable interest of RMB113.36 billion).

The table below shows the details of land parcels added in 2019:

City	**Name of Development Project**	**Attributable Interest**	**Land Area ('000 sq m)**	**Total GFA ('000 sq m)**
Shanghai	Putuo District Project	100%	31	121
Taiyuan	Wanbailin District Project #1	100%	45	220
Beijing	Daxing District Project #1	100%	79	273
Shenyang	Shenbei New District Project	100%	125	418
Shijiazhuang	Zhengding New District Project	100%	50	137
Foshan	Shunde District Project	100%	76	231
Dalian	Ganjingzi District Project #1	100%	82	201
Hong Kong	Kai Tak Project #1	30%	10	67
Guangzhou	Liwan District Project	100%	12	79
Guangzhou	Panyu District Project	100%	29	123
Dongguan	Wanjiang District Project	100%	26	123
Xiamen	Jimei District Project	100%	45	184
Shenyang	Heping District Project	100%	3	7
Hangzhou	Xiacheng District Project	100%	25	97
Suzhou	Industrial Park District Project	100%	78	185
Ningbo	Haishu District Project	100%	71	234
Hong Kong	Kai Tak Project #2	18%	10	108
Shenyang	Hunnan District Project	100%	72	203
Dalian	Ganjingzi District Project #2	100%	48	84
Guiyang	Guanshanhu District Project	100%	185	618
Harbin	Daoli District Project #1	100%	42	167
Shenzhen	Guangming District Project	100%	46	238
Yantai	Fushan District Project	100%	90	293
Zhengzhou	Gaoxin District Project	65%	76	230
Yantai	Laishan District Project	100%	100	289
Taiyuan	Wanbailin District Project #2	100%	80	352
Taiyuan	Wanbailin District Project #3	100%	70	377
Beijing	Fengtai District Project	100%	59	308
Hong Kong	Kai Tak Project #3	20%	16	142
Chengdu	Tianfu New District Project	100%	67	188

City	Name of Development Project	Attributable Interest	Land Area ('000 sq m)	Total GFA ('000 sq m)
Tinjian	Haihe Education Park Project	100%	116	221
Dalian	Ganjingzi District Project #3	100%	172	479
Changsha	Yuelu District Project #1	100%	77	239
Changsha	Yuelu District Project #2	100%	115	356
Xi'an	Bahe New District Project	100%	54	181
Tinjian	Hexi District Project	100%	40	145
Xi'an	Gaoxin District Project #1	100%	47	175
Changchun	Economic Development Zone Project	100%	105	275
Beijing	Daxing District Project #2	100%	46	175
Shanghai	Changning District Project	100%	17	57
Zhuhai	Jinwan District Project	100%	57	129
Guangzhou	Haizhu District Project	100%	44	203
Beijing	Shijingshan District Project	80%	61	241
Shenzhen	Longhua District Project	100%	27	195
Changchun	Gaoxin District Project	100%	146	267
Ningbo	Jiangbei District Project	100%	51	163
Harbin	Daowai District Project	100%	26	114
Hong Kong	Kai Tak Project #4	30%	18	158
Xi'an	Gaoxin District Project #2	100%	62	249
Harbin	Daoli District Project #2	100%	32	103
Zhengzhou	Zhengdong New District Project	100%	72	252
Wuhan	East Lake Gaoxin District Project	100%	132	530
Shijiazhuang	Chang'an District Project	100%	76	252
Total			**3,341**	**11,456**

At 31 December 2019, the Group Series of Companies (excluding COGO) had a total land reserve of 65.22 million sq m (attributable interest of 53.17 million sq m).

The major associate COGO acquired 31 land parcels, adding a total GFA of 6.19 million sq m. At 31 December 2019, its total land reserve was 24.01 million sq m (attributable interest of 21.94 million sq m).

The total land reserve of the Group Series of Companies reached 89.23 million sq m.

During the year, the net profit contribution from joint ventures and associates amounted to RMB3.37 billion. The major associate COGO recorded contracted property sales of HK$63.22 billion, revenue of RMB28.59 billion, and net profit of RMB3.50 billion. The Group earned a net profit of RMB1.28 billion from COGO for the year.

Property Investment

Rental income from the Group's investment properties for the year amounted to RMB3.75 billion (2018: RMB2.97 billion), an increase of 26.3% as compared to last year. Throughout the year, leveraging on its brand influence and excellent operating service system, the Group continued to attract high-quality enterprises and merchants taking up leases on its investment properties. These led to the realisation of stable uptrend in rents and occupancy rates.

Segment profit amounted to RMB12.49 billion (2018: RMB10.47 billion), an increase of 19.3% as compared to last year, which includes the gain arising from changes in fair value of investment properties amounting to RMB10.00 billion (net gain after deferred tax attributable to owners of the Company was RMB7.32 billion).

Other Operations

During the year, revenue from other operations amounted to RMB720 million (2018: RMB750 million), of which income from hotels and other commercial properties was RMB410 million (2018: RMB440 million).

Liquidity, Financial Resources and Debt Structure

The Group continues to adhere to the principle of prudent financial management. Finance, fund utilisation and fundraising activities are subject to effective centralised management and supervision. The Group considers carefully the cost of funding onshore and offshore and strives to maintain reasonable gearing level and cash balances.

The overall financial position of the Group was satisfactory. At 31 December 2019, the net current assets were RMB302.38 billion, the current ratio was 2.2 times, interest cover was 7.4 times and the weighted average borrowing costs were 4.21%, which were at an outstanding level in the industry.

In January 2019, the Group signed a HK$30 billion five-year club loan agreement with 20 local banks, which is the largest amount of financing arrangement in the Group's history in Hong Kong. In July 2019, the Group established a US$2.5 billion medium-term note (MTN) programme for the first time in Hong Kong and successfully issued a 10-year US$450 million senior note at a coupon rate of 3.45% and a 5.5-year HK$2.0 billion senior note at a coupon rate of 2.90%, and also issued a 10-year US$294 million senior note at a coupon rate of 3.05% in November 2019. In addition, in March 2020, the Group successfully issued 5-year US$300 million, 10-year US$500 million and 15-year US$200 million senior notes, at coupon rates of 2.375%, 2.75% and 3.125% respectively, which again recorded the lowest interest rate among the notes with the same maturity in the Group's history. During the year, the Group also signed a number of new bilateral loans onshore and offshore to optimise its loan portfolio, correspondingly replacing existing debt and supplementing working capital.

During the year, the Group raised fund from onshore and offshore debt financing amounted to RMB61.04 billion. Total repayment of matured debts amounted to RMB41.73 billion. Sales proceeds collection increased to RMB200.23 billion as compared to last year. Total capital expenditure payments for the Group were RMB174.12 billion (of which RMB121.71 billion was spent on land premiums and RMB50.43 billion was spent on construction-related expenditure). About RMB39.40 billion was paid for taxes, selling and distribution expenses, administrative expenses and financing expenses. At the end of December 2019, unpaid land premium of the Group was RMB9.10 billion.

At 31 December 2019, bank and other borrowings and notes payable of the Group were RMB122.26 billion and RMB67.70 billion, respectively. Total interest-bearing debts amounted to RMB189.96 billion, of which RMB32.08 billion will be matured within a year, accounting for 16.9% of total interest-bearing debts. Among the total interest-bearing debts, 28.6% was denominated in Hong Kong dollars, 23.2% was denominated in US dollars, 47.2% was denominated in Renminbi and 1.0% was denominated in Pounds Sterling. The fixed-rate debts accounted for 40.7% of overall interest-bearing debts while the remaining were floating-rate debts.

At 31 December 2019, the Group's available funds amounted to RMB132.74 billion comprising bank balances and cash amounting to RMB95.45 billion (of which 6.4% was denominated in Hong Kong dollars, 2.0% was denominated in US dollars, 90.8% was denominated in Renminbi, 0.7% was denominated in Pounds Sterling and minimal amounts were denominated in other currencies) and unused banking facilities of RMB37.29 billion.

In 2019, exchange rates and interest rates were substantially affected by the Sino-US trade friction. The exchange rate of the RMB against the US dollar experienced significant bilateral fluctuations, with the RMB from appreciating to depreciating and then stabilising. Domestic market reforms were implemented through loan prime rate (LPR) mechanism. Monetary policy remained appropriate, credit stayed basically stable and liquidity reasonably adequate. The United States Federal Reserve cut interest rates three times in the second half of the year, reducing overseas financing costs. In the future, the Group will closely monitor the potential for interest rate movements and consider the factors that might generate large fluctuations in the exchange rates between the Hong Kong dollar, RMB and US dollar. The Group offsets the corresponding risks mainly through natural hedging and has not participated in any speculative trading of derivative financial instruments, but will carefully consider whether to conduct currency and interest rate swaps at an appropriate time to hedge against corresponding risks. The Board believes that the Group's exchange rate and interest rate risks are relatively controllable.

ANNUAL GENERAL MEETING

The 2020 AGM will be held on Friday, 26 June 2020 at 11:00 a.m.. The notice of the 2020 AGM, which constitutes part of a circular to shareholders of the Company, will be sent to the shareholders of the Company in due course.

All shareholders of the Company are encouraged to attend the 2020 AGM and exercise their right to vote. Shareholders are invited to ask questions related to the business of the meeting, and will be able to meet with directors and the senior management of the Company.

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

Save as disclosed below, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the year ended 31 December 2019 and up to the date of this announcement.

Issue of Debentures

On 24 January 2019, China Overseas Development Group Co., Ltd.* (formerly known as China Overseas Property Group Co., Ltd.*), a wholly-owned subsidiary of the Company, issued corporate bonds with a total principal amount of RMB3,500,000,000, of which bonds of RMB2,000,000,000 bear an interest rate of 3.47 per cent. and the remaining bonds of RMB1,500,000,000 bear an interest rate of 3.75 per cent. due January 2025 and January 2026 respectively. The net proceeds, after deducting the expenses in connection with the issue of the corporate bonds, amounted to RMB3,495,415,000 and are used to repay existing indebtedness and outstanding liabilities of the Group. The corporate bonds are listed on the Shenzhen Stock Exchange.

China Overseas Finance (Cayman) VIII Limited, a wholly-owned subsidiary of the Company, issued the following guaranteed notes under its US$2,500,000,000 medium term note programme established on 8 July 2019 (collectively, the "**Guaranteed Notes**"). The Guaranteed Notes are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and are guaranteed by the Company irrevocably and unconditionally:-

(i) On 15 July 2019, HK$2,000,000,000 2.90 per cent. guaranteed notes due January 2025 and US$450,000,000 3.45 per cent. guaranteed notes due July 2029 (collectively, the "**Guaranteed Notes I**") were issued. The net proceeds, after deducting the underwriting commission in connection with the issue of the Guaranteed Notes I, amounted to HK$1,997,000,000 and US$448,645,500 respectively and are used to repay and/or refinance the existing indebtedness of the Group.

(ii) On 27 November 2019, US$294,000,000 3.05 per cent. guaranteed notes due November 2029 (the "**Guaranteed Notes II**") were issued. The net proceed, after deducting the underwriting commission in connection with the issue of the Guaranteed Notes II, amounted to US$291,127,620 and is used to repay and/or refinance the existing indebtedness of the Group.

(iii) On 3 March 2020, US$300,000,000 2.375 per cent. guaranteed notes due March 2025, US$500,000,000 2.750 per cent. guaranteed notes due March 2030 and US$200,000,000 3.125 per cent. guaranteed notes due March 2035 (collectively, the "**Guaranteed Notes III**") were issued. The net proceeds, after deducting the underwriting commission in connection with the issue of the Guaranteed Notes III, amounted to US$298,260,000, US$495,485,000 and US$199,414,000 respectively and are used to repay and/or refinance the existing indebtedness of the Group.

Redemption of Listed Securities

On 15 January 2019, CITIC Real Estate Group Company Limited*, a wholly-owned subsidiary of the Company, partially redeemed its RMB1,000,000,000 4.40 per cent. private corporate bonds due January 2021 with sell-back option at par. The redeemed private corporate bonds were listed on the Shanghai Stock Exchange. 600,000 lots of valid sell-back declarations were received with a total sell-back amount of RMB600,000,000.

On 8 May 2019 (i.e. maturity date of the guaranteed notes), China Overseas Finance (Cayman) VI Limited, a wholly-owned subsidiary of the Company, redeemed US$800,000,000 4.25 per cent. guaranteed notes due 2019 in whole at par. The guaranteed notes were listed on the Stock Exchange prior to redemption.

On 15 July 2019 (i.e. maturity date of the guaranteed notes), China Overseas Land International (Cayman) Limited, a wholly-owned subsidiary of the Company, redeemed EUR600,000,000 1.75 per cent. guaranteed notes due 2019 in whole at par. The guaranteed notes were listed on the Irish Stock Exchange plc and the Stock Exchange prior to redemption.

For details of the aforementioned securities, please refer to relevant announcements of the Company.

* For identification purpose only

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2019 with all the code provisions (except A.2.1 and A.4.1 as explained below) of the Corporate Governance Code ("**CG Code**") 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 ("**Listing Rules**") and with some of the recommended best practices contained therein.

CG Code A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yan Jianguo ("**Mr. Yan**") has become the chairman (the "**Chairman**") and the chief executive officer (the "**CEO**") of the Company since 13 June 2017. The Board considers that vesting both roles in one individual could result in more consistent leadership of the Group. Also, taking into account Mr. Yan's experience and knowledge in property development and commercial property management, the Board is confident that Mr. Yan will assist the Group to formulate comprehensive, competitive, long-term and sustainable business strategies and plans and implement them accordingly.

In respect of the checks and balances on Mr. Yan's power and authority, the Board considers that the different duties and roles of the Chairman and the CEO have been clearly defined since June 2007. Also, the Board, which comprises experienced and high calibre individuals, together with the check-and-balance mechanism of the Company can monitor the exercising of power and authority by Mr. Yan.

CG Code A.4.1 stipulates that non-executive directors should be appointed for a specific term. The non-executive Directors of the Company (as well as all other Directors) are not appointed for a specific term, however, they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of code of conduct on governing securities transactions by directors (the "**Code of Conduct**") on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the year of 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE AND REVIEW OF ACCOUNTS

The Company's Audit and Risk Management 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 2019.

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 2019 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By Order of the Board
China Overseas Land & Investment Limited
Yan Jianguo
Chairman and Executive Director

Hong Kong, 26 March 2020

As at the date of this announcement, Mr. Yan Jianguo (Chairman), Mr. Luo Liang (Vice Chairman), Mr. Zhang Zhichao (Chief Executive Officer) and Mr. Guo Guanghui are the executive directors; Mr. Zhuang Yong (Vice Chairman) and Mr. Chang Ying are the non-executive directors; and Mr. Lam Kwong Siu, Dr. Fan Hsu Lai Tai, Rita and Mr. Li Man Bun, Brian David 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 2019 Annual Report will also be available at the aforementioned websites and will be despatched to shareholders of the Company thereafter in due course.