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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)

BUSINESS REVIEW, OPERATING INFORMATION AND FINANCIAL PERFORMANCE FOR THE FIRST QUARTER IN 2020

The business review, operating information and financial performance of China Overseas Land & Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") in the first quarter of 2020 are presented as follow:

Business Review

During the first quarter in 2020, the coronavirus disease (COVID-19) pandemic caused global financial market turmoil. The outlook of the world economic growth was bleak. Amid the easing of the epidemic in mainland China since mid-March, enterprises resumed work and production rapidly and the real estate market began to recover at the end of the quarter. In response to the downward pressure on the economy and the impact of the epidemic, the Central Government continues to increase counter-cyclical adjustments to ensure stable progress of the economy and the steady and healthy development of the real estate industry. Though the activity in Hong Kong residential market was slowed down under the epidemic, the underlying demands still exist. The Group is confident in the long term prospect of the Hong Kong property market.

Operating Information

In early 2020, due to the sudden outbreak of COVID-19 epidemic, the real estate market saw significant decline in sales in the first two months. The Group, together with its joint ventures and associates (collectively the "Group Series of Companies"), recorded a year-on-year decrease of 22.7% in contracted property sales for the first two months in 2020. As the epidemic was gradually curbed in mainland China, the sales in March gradually recovered. The contracted property sales of March were RMB26.77 billion, an increase of 7.0% over the same month in last year. The Group Series of Companies secured contracted property sales amounting to RMB59.72 billion for the first quarter in 2020, representing a decrease of 11.7% as compared to the same period in last year.

During the period, the Group acquired four land parcels in two mainland cities at an aggregated attributable land premium of RMB9.03 billion, adding a total gross floor area of 647,000 sq m (attributable interest of 487,000 sq m).

Financial Performance

For the three months ended 31 March 2020, the revenue of the Group's operations was RMB20.68 billion, a decrease of 14.7% as compared to the same period in last year, while the operating profit was RMB5.61 billion, a decrease of 24.9% as compared to the same period in last year. The decrease in operating profit for the first quarter in 2020 was mainly due to: 1. Limited amount of recognition of sales in the first quarter, the scale of sales recognition dropped as compared to the same period in last year amid the impact of COVID-19 epidemic; 2. The fallout from the epidemic saw higher volatility in the recent offshore financial market and the exchange rate of the RMB experienced significant bilateral fluctuations. The Group recognised net foreign exchange losses for the first quarter in 2020, while net foreign exchange gains were recorded for the same period in last year.

At 31 March 2020, the Group's bank balances and cash amounted to RMB99.74 billion while the net gearing was 39.4%. With the Group's adequate cash reserves and stable financial position, it is still well positioned to seize opportunities in the market.

The Group believes that results of the first quarter shall not be taken as the basis for estimating change in profit for the full year. The Group expects the results in the second quarter to be restored.

General

This announcement may contain forward-looking statements that involve risks and uncertainties. The shareholders of the Company and potential investors should not place undue reliance on these forward-looking statements, which reflect only our belief as of the date of these statements. These forward-looking statements are based on the Group's own information and on information from other sources we believe to be reliable. The Group's actual results may be materially different from those expressed or implied by these forward-looking statements, which could affect the market price of the Company's share.

The shareholders of the Company and potential investors should note that **all the figures contained herein are unaudited. Accordingly, figures and discussions contained in this announcement should in no way be regarded as to provide any indication or assurance on the financial results of the Group for the three months ended 31 March 2020.**

The shareholders of the Company and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

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

Hong Kong, 23 April 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.

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