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中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

(incorporated in Hong Kong with limited liability)

(Stock Code: 00081)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL HIGHLIGHTS

1. The contracted property sales of the Group and its associates and joint ventures for the year increased to RMB64,709.5 million (2019: RMB53,732.8 million), representing an increase of 20.4% against last year, which corresponded to an aggregated contracted area of 5,303,400 sq.m. (2019: 5,044,400 sq.m.).
2. For the year ended 31 December 2020, the Group recorded revenue of RMB42,909.1 million, 50.1% increase comparing with last year. Gross profit and margin for the year were RMB11,641.4 million and 27.1% respectively, comparing with RMB9,527.8 million and 33.3% respectively in last year.
3. Operating profit for the year amounted to RMB9,564.3 million, representing an increase of 19.3% against last year. Profit attributable to owners of the Company was RMB4,374.8 million, 31.4% higher than last year. Basic earnings per share were RMB127.8 cents (2019: RMB97.3 cents).
4. In 2020, the Group and its associate and joint ventures bagged land parcels in 25 cities, including 10 new cities (Taizhou (Jiangsu province), Zhenjiang (Jiangsu province), Langfang (Hebei province), Tangshan (Hebei province), Jinhua (Zhejiang province), Zunyi (Guizhou province), Tianshui (Gansu province), Zhuzhou (Hunan province), Zhanjiang (Guangdong province) and Linyi (Shandong province)), with a total gross floor area of 11,569,200 sq.m. (attributable to the Group: 9,724,000 sq.m.) for total consideration of RMB46,233.1 million.
5. As at 31 December 2020, the gross floor area of total land bank of the Group and its associates and joint ventures reached 30,106,600 sq.m., of which, 1,085,500 sq.m. was held by an associate and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 26,617,100 sq.m..
6. Cash and bank balances plus restricted cash and deposits were RMB28,069.1 million (31 December 2019: RMB27,426.7 million) in total. As at 31 December 2020, the ratio of net debts to total equity was 45.5% (31 December 2019: 15.6%).
7. In February 2021, the Group has successfully completed the issuance of a 5-year US\$512 million guarantee notes which enables the Group to further secure its healthy financial position.
8. The Board recommended the payment of final dividend of HK27.5 cents per share for the year ended 31 December 2020 (2019: HK19.5 cents).

The board of directors (the “Board”) of China Overseas Grand Oceans Group Limited (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020.

CHAIRMAN’S STATEMENT

INTRODUCTION

I am pleased to present the annual results of the Group for the year ended 31 December 2020.

For the year ended 31 December 2020, the Group’s revenue increased by 50.1% to RMB42,909.1 million comparing with last year, while profit attributable to owners of the Company was RMB4,374.8 million, 31.4% higher than last year. Basic earnings per share were RMB127.8 cents.

2020 was an extraordinary year amidst the unprecedented crisis from the widespread of coronavirus around the world and the complex international landscape. With the accurate judgement of the situation and the comprehensive and effective measures taken by the central government, China’s economy remained resilience and a positive growth in GDP of 2.3% was recorded in the year of 2020. For the property market in China, “housing is for living in, not for speculation” continued to be the general principle. Driven by the enormous efforts made by the government on promoting steady and sound development of the sector and the advancement of urbanization, the property market recovered quickly and grew stably in the year.

Fully observed the government’s policies to combat the outbreak of the pandemic, the Group implemented strict prevention and controlling measures in its properties and communities. Resulting from the precise execution of the nationwide measures, the pandemic in China has been broadly under control. As such, the Group focused at developing its business and stepped up its efforts to mitigate the negative impacts of the pandemic. Strenuous efforts were made to push up property sales and catch up construction schedule in the year that the overall sales performance and construction progress met the expectation of the management.

The Group has full confidence in the prospects of property market in China. While the operating environment was extremely challenging in the year, the Group, backed by its strong fundamentals and abundant financial resources, seized chances to actively replenish land pieces and enlarge its land bank with high quality projects at reasonable costs so as to further solidify its foundation for sustainable growth of the business. It was a fruitful year in terms of business expansion to the Group that its operations further extended to ten new cities with high growth potential, namely Taizhou (Jiangsu province), Zhenjiang (Jiangsu

province), Langfang (Hebei province), Tangshan (Hebei province), Jinhua (Zhejiang province), Zunyi (Guizhou province), Tianshui (Gansu province), Zhuzhou (Hunan province), Zhanjiang (Guangdong province) and Linyi (Shandong province) in 2020. Firmly adhered to the prudent investment principle, the Group's well-experienced management team performed thorough scout and in-depth analysis on the projects acquired in the year, as selection of right locations for investment in a divided market is very crucial to the generation of good returns to shareholders. During the year, the Group and its associate and joint ventures bagged land parcels with gross floor area of 4,750,100 square meters ("sq.m.") in the ten cities newly expanded into as mentioned above. Together with the land pieces added in the cities with presence, the Group and its associate and joint ventures acquired total land parcels with gross floor area of about 11,569,200 sq.m. (attributable to the Group: 9,724,000 sq.m.). As at 31 December 2020, the gross floor area of total land bank of the Group and its associates and joint ventures in China reached about 30,106,600 sq.m., of which, about 1,085,500 sq.m. are held by an associate and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) is about 26,617,100 sq.m.. The Group and its associates and joint ventures held a land bank distributed in 37 cities as at 31 December 2020.

In addition to enriching its land bank, the Group worked relentlessly to raise its sales capability and strive for steady growth of its business amid the grave and complicated environment. The Group continuously evolved innovative marketing strategies, sales channels and sales tactics to boost property sales. Customized promotional campaigns were launched in different cities to grasp the best window for property sales. The Group managed to achieve an outstanding sales performance during the year that surpassed its previous sales records. The contracted property sales attained by the Group, together with its associates and joint ventures for the year, was RMB64,709.5 million (2019: RMB53,732.8 million), representing an increase of 20.4% against last year, which corresponded to an aggregated contracted area of 5,303,400 sq.m. (2019: 5,044,400 sq.m.), representing an increase of 5.1% year-on-year. Of the contracted sales, an amount of RMB1,019.2 million (2019: RMB347.8 million) for an aggregated contracted area of 85,900 sq.m. (2019: 32,200 sq.m.) was contributed by associates and joint ventures. Besides, the balance of preliminary sales at the year-end pending completion of formal sales and purchase agreements in the pipeline was RMB1,307.0 million for an aggregated contracted area of 100,200 sq.m..

Delivering of high quality products and best of the class customer services was among the key drivers behind the robust growth of property sales. The Group continued to exploit new designs of its property products to meet the changing customer requirements and impose high standard controls in construction process to ensure product quality. Customer services team also enhanced its services to offer customers with premium sales and after-sales

experiences.

In the wake of rapidly changing financial market, the Group maintained its prudent financial management and has successfully completed the issuance of a 5-year US\$512 million guarantee notes in February 2021, mainly for refinancing purpose. The issuance enabled the Group to further secure its healthy financial position.

DIVIDEND

The interim dividend paid in October 2020 was HK7 cents per share (2019: HK6 cents per share). After reviewing the result performance for the year and working capital requirements for the Group's future expansion of its business, the Board of the Company recommended the payment of a final dividend of HK27.5 cents per share (2019: HK19.5 cents per share) for the year ended 31 December 2020. Total dividends for the financial year will, thus, amount to HK34.5 cents per share (2019: HK25.5 cents per share). The dividend payout ratio for the year is 24.0%.

The proposed final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting 2021.

PROSPECTS

The Economy

Although there are uncertainties and instabilities in the international environment and the evolution of the pandemic, the economy is expected to improve gradually with the pandemic is gradually brought under control globally. Being the first economy in the world to emerge from recession, China's economy is expected to continue to stabilize and progress under the new development pattern of dual circulation of domestic and international economic cycles in 2021.

Real Estate Development

With the implementation of the "three red lines" on monitoring capital and regulating financing management of the property developers and set up of the real estate loan concentration management system, the establishment of the long-term mechanism in the housing market continues to accelerate, laying a firm foundation for the long-term stable and healthy development of the market. In the short term, the controlling policies for property market will continue to focus on stability and it is expected that the property market in 2021 will remain stable.

Group Strategy

The Group is optimistic to the long-term development of the property market in China, which is supported by the sturdy fundamentals. The Group remains committed to achieve

sustainable and healthy growth with high quality and continues its expansion strategies to build up its business scale gradually.

Fully embraced the government's urbanization and long-term housing policy, the Group is determined to develop in promising emerging cities with investment value and growth potential. Project developments in popular cities and popular locations remain the investment thesis and primary focus of development of the Group. Setting its sights on customers looking for high quality residential properties, development of middle to high-end products is still the core business of the Group.

Align with its corporate development plan, the Group fully believes that it is of paramount importance to build up and maintain a scaled high quality land bank at competitive costs for sustainable growth and maximizing shareholders' returns in long term. The financial muscles gained over the years empowered the Group with the flexibility to extend its business scale in a volatile and dynamic environment. Stick firmly to its cautious investment approach, the Group, at appropriate and sustainable capital and debt structures, will seek for new development opportunities with good returns in an orderly manner.

Property market in China is fragment that development pace and phases of markets in different regions are not the same. The Group closely monitors operating environment and land acquisition opportunities in different regions and actively solicits suitable property projects in prime cities and locations at good terms to enlarge its land bank and widen its operating territories. To perfect its geographic distribution of the projects and support the healthy growth of business, the Group not only replenishes land in its well-performed cities, but also actively explores to penetrate into some new cities, mainly regional economic centres closed to metropolitan areas and with growth potential, and districts where synergies can be achieved with the existing cities being operated.

Open market land auction has been a major and important source of land addition, but the Group also keeps on diversifying its land acquisition channels in order to accelerate the development pace and maintain a balanced land bank with reasonable investment returns. To manage risks cautiously while expanding its operating scale, the Group strengthens the co-operations with reliable business partners, including but not limited to reputable property developers and trustworthy investment institution, to jointly develop property projects. In September 2020, the Group has successfully sought approval from independent shareholders to develop property projects in China with China Overseas Land & Investment Limited, the controlling shareholder of the Group. The management considers the co-operation will allow the Group to participate larger scale investment projects and generate satisfactory returns.

The Group places strong emphasis on customer services and fully recognizes the importance of value creation to its customers in its long term business development. The management is mandated to offer customers with good products and good services. Through offering the

best of the class products, caring services and exceptional customer experiences in property handover, the Group strives to exceed the customer expectations and become the market leader in the area of customer satisfaction so as to accumulate loyal customers for sustainable business growth.

Offering of high standard property products is the primary responsibility of a successful developer. The Group consistently upgrades its property projects with popular layouts and improved material to meet the market requirements. Developing popular products with high-quality, green, healthy, wisdom and technology remains the key product strategy of the Group. Adhered to the spirit of excellence in craftsmanship, the Group conducts multi-dimensional research in the aspects of functions and living experiences and establishes research centres and model houses to analyze the needs of customers and the specifications of new building materials to enhance each product details and evolve new features. In designing its property products, the Group takes into consideration of the differences in customer requirements in different regions of its projects located to meet the unique local requirement. With the development and introduction of new products, the Group is determined to lead the market and safeguard its profitability.

The Group is ambitious to enlarge its operating scale progressively. Leveraged with the highly recognized nationwide brand, the Group closely monitors the market environment in different regions and picks the best window to launch tailor-made sales programs to accelerate the sell-through rate of inventory and expedite cash collection. In addition, targeting different customer segments, the Group actively expands its sales channels, formulates well-placed strategies and deploys new marketing tools to raise the effectiveness of the sales campaigns. Innovative marketing methodologies have been adopted to promote the property projects and speed up the property sales. To match the growth strategies and property sales plan, construction program is being optimized continuously. Stringent controls in project management and monitoring are implemented so that the Group is able to shorten project development cycle while raising quality of its property products.

As part of its development strategy, the Group promotes digital management and enhances its operating systems and operating process continuously. The Group continues to upgrade its management information system and streamline its workflows to improve efficiency and effectiveness. Digital platforms are being applied in a broader basis to facilitate the management review process to boost the competitiveness in the fast-changing market environment. The Group will keep on reinforcing its internal controls, tightening its cost controls and strengthening its risk management system to warrant healthy growth of the business and extend its competitive edge.

Facing the stringent regulatory environment and volatile financial and capital market, the Group maintains professional and prudent financial management of the financial resources and continues to enhance its financial management capability. Cash collection and debt

management are the key areas the management focuses at. Financial returns of property projects will be tracked closely to ensure the progress is in line with the business plan. Debt structure and profile are reviewed regularly and maintained at a healthy level continuously. Different financing tools will also be studied and evaluated for the supply of sufficient funding for business development. Being a responsible corporation strictly observed financial disciplines, the Group will keep a close eye on the impacts from the external political and economic environments, volatility of exchange rate of Renminbi, and national policy changes to the business operations.

With the continuous growth of the business scale, the management believes that talent capital is the key to success. By providing all-rounded trainings and an open and inclusive organization structure and working environment, the Group is committed to cultivate staff with potential to ensure the marching forward of the corporate. The Group will continue to optimize its competitive remuneration package for staff to maintain a professional, dedicated and highly effective team. The Group continues to grow together with its staff.

APPRECIATION

2020 was a very challenging year. I would like to take this opportunity to express my heartfelt thanks to my fellow directors and our committed staff for their dedication, hard work and contributions to the Group for the year, and our shareholders, customers and business partners for their continued confidence and support.

China Overseas Grand Oceans Group Limited

Zhuang Yong

Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

REVENUE AND OPERATING RESULTS

In 2020, the global economy was inevitably affected by the coronavirus pandemic. While strictly followed the central government's prevention and controlling measures, the Group also took various countermeasures, including additional online promotions, various levels of construction process adjustments and application for sales permits as early as possible, to effectively alleviate the adverse effects of the pandemic on the business. Stability remained the principle of the government controlling policy on real estate market. The markets of the Group's property development projects located also picked up quickly and steadily. The Group together with its associates and joint ventures achieved contracted property sales of RMB64,709.5 million for the year (2019: RMB53,732.8 million), representing an increase of 20.4% against last year. Of the contracted sales, an amount of RMB1,019.2 million (2019: RMB347.8 million) was contributed by associates and joint ventures. For the year ended 31 December 2020, the Group recorded revenue of RMB42,909.1 million, 50.1% increase comparing with RMB28,590.9 million in last year. Gross profit for the year was RMB11,641.4 million, RMB2,113.6 million higher than last year. Gross profit margin was 27.1% (2019: 33.3%).

The Group continued to increase its marketing activities and made more use of electronic platforms in sales activities during the year, including online customers registration and reservation, launch of property sales and properties selections, in order to enhance sales efficiency. With the number of projects launched hit a record high this year, the distribution and selling expenses increased by RMB220.9 million against the last year to RMB1,368.8 million. Nevertheless, the ratio of distribution and selling expenses to the Group's contracted property sales was at a low level of 2.1%, almost the same as last year. Moreover, as the pace of business expansion accelerated that the operations extended to ten new cities with high growth potential, administrative expenses for the year increased by RMB276.6 million year-on-year to RMB1,069.9 million. However, the ratio of the administrative expenses to revenue dropped by 0.3% to 2.5% from last year, as the Group still maintained stringent controls over the expenses.

In respect of the investment properties, same as the last year, no fair value adjustment was recognized during the year. The Group decided to change the use of certain commercial area of Universal City in China Overseas Plaza in Lanzhou from development for sales to investment property for leasing out to generate rental income in the year. As such, a fair value gain of RMB8.1 million from the reclassification of properties was reported. In addition, the Group also changed the use of two hotels being held namely, Huizhou Tangquan Hotel and Shantou Nanbin Hotel to investment properties for leasing out purpose

during the year. The revision of the usage of the properties aligns with the Group's corporate strategic development plan which focuses on the property development business.

Driven by rise in revenue and gross profit, operating profit for the year amounted to RMB9,564.3 million, representing an increase of 19.3% against last year.

In line with the business development, the average total borrowings of the Group increased versus last year and thus, total interest expense increased from RMB1,267.4 million of last year to RMB1,371.7 million this year. Finance costs, after capitalization of RMB1,328.6 million to the on-going development projects, was RMB43.1 million (2019: RMB33.8 million) for the year.

The share of profit of joint ventures for the year decreased to RMB6.7 million (2019: RMB290.5 million) mainly due to the fact that more property sales were recognized last year. The profit for the year was mainly contributed by two joint ventures located in Shanghai and Hefei respectively.

Share of profit of associates amounted to RMB12.0 million (2019: RMB22.7 million) for the year, which was mainly contributed by an associated company located in Shantou.

Income tax expense comprised enterprise income tax and land appreciation tax. Mainly due to the increase in operating profit, which was led by the increase in the gross profit, income tax expense increased by RMB137.1 million versus last year to RMB4,935.7 million. However, as the average land appreciation tax rate for the projects with profit recognized in the year was lower than that of last year, the effective tax rate of the year decreased by 6.1% to 51.7% compared to last year.

In total, for the year ended 31 December 2020, profit attributable to owners of the Company increased by 31.4% against last year to RMB4,374.8 million (2019: RMB3,329.7 million). Basic earnings per share were RMB127.8 cents (2019 : RMB97.3 cents).

LAND BANK

The management believes that a sizable and high-quality land bank can ensure the sustainable growth of the Group's business and is also one of the most important assets to a property developer. Over the past year, the Group actively acquired land parcels at reasonable prices for land bank expansion and further extended its operations to ten cities with high growth potential. Apart from the newly entered cities, it also replenished its land bank and expanded operating scale in cities with presence timely. In 2020, the Group and its associate and joint ventures bagged land parcels with gross floor area of 4,750,100 sq.m. in the ten cities newly expanded into for consideration of RMB20,727.6 million. Together with the land pieces added in the cities with presence, the Group and its associate and joint ventures acquired total land parcels for a total consideration of RMB46,233.1 million and with gross floor area of 11,569,200 sq.m. (attributable to the Group: 9,724,000 sq.m.), which was more than the area of new land parcels acquired last year (excluding Weinan projects) of

6,192,100 sq.m. (attributable to the Group: 5,390,800 sq.m.), that was acquired at total consideration of RMB27,860.4 million.

The table below shows the details of land parcels acquired during the year:

City	Name of project	Attributable Interest	Total GFA (sq.m.)
Taizhou	Hailing District Project (The Central Mansion)	85%	225,900
Zibo	Wenchanghu District Project (Glory Lake The Pu Yue)	100%	161,200
Hefei	Jingkai District Project (Upper East)	60%	293,600
Huizhou	Huicheng District Project #1 (Riverview Mansion)	60%	498,100
Yancheng	Yannan Gaoxin District Project (HaiFu Garden)	35%	125,400
Langfang	Anci District Project (Platinum Garden)	100%	206,200
Lanzhou	Qilihe District Project (The Platinum Mansion)	100%	84,800
Baotou	Kundulun District Project (Wang Jing Mansion)	100%	229,900
Xining	Beichuan New District Project (Mountain and Lake)	100%	268,500
Jiujiang	Xunyang District Project (Central Mansion)	100%	12,200
Tangshan	Lunan District Project (Maple Palace)	100%	287,700
Hefei	Xinzhan District Project (The Halo)	100%	128,300
Yinchuan	Jinfeng District Project #1 (The Royal Peninsula)	100%	335,200
Shantou	Longhu District Project #1 (The Rivera)	100%	286,500
Jinhua	Wucheng District Project (The Central Mansion)	100%	213,700
Huizhou	Huicheng District Project #2 (Glorious Palace)	60%	310,100
Zunyi	Xinpu New District Project (New City of China)	70%	336,700
Zhenjiang	Danyang City Huanan Gaoxin District Project #1 (Epochal Mansion)	100%	128,600
Hohhot	Saihan District Project #1 (Zhonghai Shi Li Qing Chuan)	100%	121,700

City	Name of project	Attributable Interest	Total GFA (sq.m.)
Hohhot	Xincheng District Project #1 (Zhonghai He Shan Guan Lan)	100%	187,400
Zunyi	Huichuan District Project (The Central Mansion)	80%	117,200
Yancheng	Yandu District Project (Gorgeous Mansion)	100%	354,900
Hohhot	Xincheng District Project #2 (River View Mansion)	100%	120,300
Hohhot	Saihan District Project #2 (Zhonghai Zhen Ru Fu)	100%	135,500
Yinchuan	Jinfeng District Project #2 (Patrimonial Mansion)	100%	211,600
Yinchuan	Jinfeng District Project #3 (The New Metropolis)	100%	65,800
Hefei	Baohe District Project	100%	154,800
Tianshui	Qinzhou District Project (The Platinum Pleased Mansion)	100%	226,600
Tangshan	Lubei District Project (The Pogoda Shadow)	100%	191,000
Lanzhou	Chengguan District Project	100%	371,900
Shantou	Longhu District Project #2 (The Rivera)	100%	569,000
Weifang	Fangzi District Project #1 (Royal Villa)	100%	255,700
Weifang	Fangzi District Project #2 (The Riviera)	100%	130,500
Jilin	Fengman District Project #1-1 (La Cité)	100%	477,200
Jilin	Fengman District Project #1-2	51%	132,300
Jilin	Fengman District Project #2 (La Cité)	100%	136,200
Zhuzhou	Tianyuan District Project #1 (International Community)	70%	242,400
Zhuzhou	Tianyuan District Project #2 (International Community)	70%	128,800
Zhuzhou	Tianyuan District Project #3 (International Community)	70%	266,000
Zhuzhou	Tianyuan District Project #4 (International Community)	70%	246,900

City	Name of project	Attributable Interest	Total GFA (sq.m.)
Zhuzhou	Tianyuan District Project #5 (Zhonghai Xue Fu Li)	70%	298,500
Zhuzhou	Tianyuan District Project #6 (International Community)	70%	303,100
Changzhou	Jintan District Project	100%	343,400
Zhenjiang	Danyang City Huanan Gaoxin District Project #2	100%	181,400
Huizhou	Zhongkai District Project	100%	185,300
Ganzhou	Ganxian District Project (One City South)	100%	131,800
Zhanjiang	Xiashan District Project	50%	271,000
Linyi	Luozhuang District Project	100%	189,200
Taizhou	Guangling District Project	24.75%	689,200
Total			11,569,200

As at 31 December 2020, the gross floor area of total land bank of the Group and its associates and joint ventures in China reached 30,106,600 sq.m., of which, 1,085,500 sq.m. was held by an associate and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 26,617,100 sq.m.. The Group and its associates and joint ventures held a land bank distributed in 37 cities as at 31 December 2020.

The table below shows the details of land bank as at year ended:

	City	Total GFA (sq.m)	Attributable GFA (sq.m.)
1	Shantou	3,051,100	3,036,300
2	Yinchuan	2,233,000	2,012,000
3	Jiujiang	2,010,800	2,010,800
4	Jilin	1,843,800	1,778,900
5	Weifang	1,543,100	1,543,100
6	Lanzhou	1,509,000	1,315,900
7	Hohhot	1,302,300	1,302,300
8	Huizhou	1,517,100	1,193,900
9	Hefei	1,361,400	1,076,600
10	Zhuzhou	1,485,700	1,040,100
11	Yangzhou	944,400	944,400
12	Changzhou	924,100	924,100
13	Yancheng	943,000	861,500
14	Baotou	808,200	626,900
15	Xining	620,200	620,200
16	Nanning	951,700	563,500
17	Jining	528,300	528,300
18	Ganzhou	527,900	527,900
19	Quanzhou	520,500	520,500
20	Tangshan	478,700	478,700
21	Nantong	600,200	434,500
22	Xuzhou	555,500	403,500
23	Taizhou	915,100	362,500
24	Zunyi	453,900	329,400
25	Zhenjiang	310,000	310,000
26	Tianshui	226,600	226,600
27	Jinhua	213,700	213,700
28	Langfang	206,200	206,200
29	Linyi	189,200	189,200
30	Qingyuan	180,000	180,000

	City	Total GFA (sq.m)	Attributable GFA (sq.m.)
31	Zibo	161,200	161,200
32	Huangshan	249,500	137,200
33	Zhanjiang	271,000	135,500
34	Weinan	131,400	131,400
35	Liuzhou	161,600	113,100
36	Shaoxing	106,600	106,600
37	Guilin	70,600	70,600
Total		30,106,600	26,617,100

In January 2021, the Group entered into the property market of Anqing City, Anhui province by acquiring a land piece. The Group, sticks firmly to its principle of prudent investment, continues to explore to penetrate into new cities proactively.

SEGMENT INFORMATION

PROPERTY SALES AND DEVELOPMENT

The Group has been developing various types of property products in different cities. In recent years, the market demand for renovated flats has increased. The Group, in view of it, has also supplied renovated flats products gradually in accordance with the market conditions in each city. As such, the Group is able to meet the needs of different markets and customers, enhance the rate of return, maximize the benefits of national brand and maintain its leading market position.

Riding on the momentum of the sales growth in the recent years, the contracted property sales of the Group and its associates and joint ventures for the year ended 31 December 2020 amounted to RMB64,709.5 million (2019: RMB53,732.8 million), for an aggregated contracted area of 5,303,400 sq.m. (2019: 5,044,400 sq.m.), (in which, RMB1,019.2 million <2019: RMB347.8 million> for an aggregated contracted area of 85,900 sq.m. <2019: 32,200 sq.m.> was contributed by associates and joint ventures) representing an increase of 20.4% and 5.1% respectively against the last year. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB1,307.0 million for an aggregated contracted area of 100,200 sq.m..

Contracted property sales from major projects during the year:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Hefei	Central Mansion	147,148	3,349.0
	Upper East	103,199	2,179.7
	Royal Villa	32,705	793.8
	Coli City	40,023	517.2
Yancheng	The Central Mansion	103,580	2,648.6
	The Paragon	66,224	1,347.2
	Glory Mansion	85,134	1,023.3
	HaiFu Garden	82,882	1,017.2
Yinchuan	International Community	509,158	3,830.2
	Mansion Yue	134,834	1,440.8
Yangzhou	Upper East	122,163	1,650.0
	Gorgeous Mansion	108,392	1,626.6
	La Rive Gauche	87,310	1,306.0
	Eternal Treasure	55,103	576.4
Huizhou	Riverview Mansion	314,935	4,101.2
	Huizhou Tangquan	49,647	873.1
Quanzhou	Glorious	169,046	1,961.5
	River View Mansion	92,939	1,047.7
Shantou	Golden Coast	133,361	1,165.3
	La Cité	70,022	697.6
	Platinum Mansion	64,554	598.9
Lanzhou	La Cité	91,003	1,417.7
	Platinum Pleased Mansion	79,684	1,040.4
Jilin	Overlooking River Mansion	118,402	899.6
	Royal Villa	96,329	849.8
	Glorioushire	108,738	700.6
Hohhot	He Shan Da Guan	56,154	768.9
	Zhonghai He Shan Yuan Zhu	52,104	658.7
	Zhonghai He Shan Ya Song	38,992	473.2
	The Premier Mansion	33,261	456.5
Nantong	Jade Park	89,718	2,219.0
Changzhou	Clouds Fairyland	108,888	2,215.2
Weifang	Da Guan Tian Xia	325,350	2,117.5

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Xuzhou	The Platinum Pleased Mansion	101,496	1,347.3
	The Central Mansion	51,399	685.4
Jining	Coli City	111,121	1,026.4
	Coli Phoenix Community	62,783	559.4
Shaoxing	The Central Mansion	50,570	1,529.4
Nanning	Celestial Heights	25,731	513.6
	Harrow Community	44,082	479.9
	International Community	47,999	458.0
Beijing	Maple Palace	29,573	1,405.3
Taizhou	The Central Mansion	80,879	1,097.9
Baotou	Glorioushire	85,951	719.9
Xining	Mountain and Lake	33,046	375.7
	Glorioushire	34,668	333.5
Liuzhou	The Cullinan	52,158	679.0
Ganzhou	Jardin De Rive Danche	49,999	535.0

Progress for all development projects was satisfactory and largely in line with the construction programs. During the year, gross floor area of nearly 5,630,000 sq.m. of construction sites were completed for occupation and of which, about 93% was sold out by year end. While the Group continuously accelerated the property sales, it also seized opportunities, after cautious assessment, to acquire quality land pieces with high investment potential at reasonable prices to achieve sustainable development scale at healthy financial position.

For the year ended 31 December 2020, revenue from property sales increased by 50.8% against last year to RMB42,701.3 million (2019: RMB28,317.2 million). Gross profit margin narrowed to approximately 26.9% (2019: 33.0%) as the gross profit margin of projects recognized in last year was higher. Same as last year, revenue for the year was mainly recognized from the sales of high-rise residential projects.

During the year, with the supports of the shareholders, the Group entered into a cooperation agreement with China Overseas Land & Investment Limited (“COLI”) for investments in property development projects. The management expects that the Group would speed up its development pace with the support of COLI.

Moreover, based on the schedules of the profit recognition from projects, the net profits contribution from the associates and joint ventures in the year was RMB14.9 million (2019: RMB309.0 million). During the year, the Group participated in new property development projects through an associate company in Yancheng and through joint ventures in Zhanjiang and Taizhou.

Furthermore, the segment result included a fair value gain of RMB8.1 million (2019: RMB72.2 million) from the reclassification of inventories of properties to investment properties as aforesaid above.

Hence, the segment result increased by 15.8% to RMB9,564.5 million (2019: RMB8,262.2 million) for the year.

Recognized revenue from major projects during the year:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Weifang	Da Guan Tian Xia	449,755	3,622.7
Yinchuan	International Community	372,246	2,307.9
	Mansion Yue	159,289	1,294.4
Nantong	Times Metropolis	105,312	1,548.0
	Upper East	49,910	986.4
	Central Mansion	40,436	945.5
Ganzhou	One Riverside Park	143,287	1,958.5
	The Cullinan	96,699	1,457.0
Yangzhou	Eternal Treasure	116,508	1,758.7
	Grand Polis	100,681	1,110.5
	Yangzhou Jiajing	41,989	406.1
Hefei	Coli City	180,457	2,130.9
	Royal Villa	35,258	787.0
Huizhou	Riverview Mansion	99,137	1,086.5
	Harbour City	76,764	909.2
	The Rosary	71,077	690.2
Yancheng	The Paragon	84,235	1,993.4
	The Glorious	41,903	458.9
Nanning	International Community	227,156	2,408.4
Shantou	La Cité	190,476	1,819.0
	Huating	81,161	416.0
Changzhou	Platinum Mansion	123,297	2,022.4
Xining	Glorioushire	225,164	1,937.8
Beijing	Maple Palace	22,794	1,712.1
Jilin	The New Metropolis	120,396	730.6
	International Community	70,425	671.7
Xuzhou	Patrimonial Mansion	130,019	1,257.3
Liuzhou	The Cullinan	54,682	693.9

The following projects had commenced the construction work in the year:

City	Name of project	Commenced by
Weifang	The Phoenix (previously named as “Fangzi District Project”)	January 2020
Hohhot	Zhonghai He Shan Ya Song (previously named as “Xincheng District Project #2”)	March 2020
Hohhot	Zhonghai He Shan Yuan Zhu (previously named as “Xincheng District Project #1”)	April 2020
Jilin	Royal Villa	April 2020
Shantou	Platinum Mansion	April 2020
Jining	Coli Phoenix Community	May 2020
Yangzhou	La Rive Cauche (previously named as Guangling District Project #1 and #2)	May 2020
Lanzhou	La Cité	June 2020
Taizhou	The Central Mansion	June 2020
Yancheng	The Central Mansion	June 2020
Jiujiang	Central Mansion	July 2020
Zibo	Glory Lake The Pu Yue	July 2020
Hefei	Upper East	August 2020
Xuzhou	The Central Mansion (previously named as “Quanshan District Project #2 and #3”)	August 2020
Baotou	Wang Jing Mansion	September 2020
Lanzhou	The Platinum Mansion	September 2020
Yancheng	HaiFu Garden	September 2020
Zhenjiang	Epochal Mansion	September 2020
Hohhot	Zhonghai He Shan Sheng Jing (previously named as “Xincheng District Project #4”)	October 2020
Jinhua	The Central Mansion	October 2020
Jiujiang	Central Mansion	October 2020
Shantou	The Rivera	October 2020
Xining	Mountain and Lake	October 2020
Yinchuan	The Royal Peninsula	October 2020
Huizhou	Glorious Palace	November 2020
Tangshan	Maple Palace	November 2020
Hefei	The Halo	December 2020
Lanzhou	Chengguan District Project	December 2020

At year end date, the gross floor area of properties under construction and stock of completed properties amounted to 18,220,900 sq.m. and 1,187,700 sq.m. respectively, totaling 19,408,600 sq.m.. Properties with gross floor area of 9,299,800 sq.m. had been contracted for sales and were pending for handover upon completion.

PROPERTY LEASING

As announced on 1 April 2020, the Group leased out the four investment properties in Beijing, Lanzhou, Huizhou and Shantou to COLI entirely in the year. While ensuring the stability of the leasing business, it can also draw on the leasing management expertise and resources of COLI to create synergies and therefore, the Group can focus on real estate development business. For the year ended 31 December 2020, rental income amounted to RMB186.1 million (2019: RMB192.6 million).

The Group holds 65% of equity interests of the scientific research office building in Zhang Jiang High-tech Zone in Shanghai and it also has been leased out to COLI as a whole during the year. The contribution from the joint venture, which is holding the above research office building, was RMB3.7 million (2019: RMB4.2 million) for the year.

Therefore, the segment profit increased by RMB11.2 million year-on-year to RMB159.4 million (2019: RMB148.2 million).

FINANCIAL RESOURCES AND LIQUIDITY

The Group has consistently adopted prudent financial management approach and its financial condition remained healthy. The Company and its subsidiaries have gained multiple accesses to funds from both investors and financial institutions in China and international market to meet its requirements in working capital, refinancing and project development.

As at 31 December 2020, net working capital amounted to RMB50,796.7 million (31 December 2019: RMB37,798.4 million), with a quick ratio of 0.5 (31 December 2019: 0.5).

During the year, the Group secured new credit facilities of approximately RMB27,116.5 million from leading financial institutions. After taking into account drawdowns of RMB21,941.3 million, repayment of loans of RMB11,233.4 million and decrease of RMB825.9 million due to translation of Hong Kong Dollar (“HKD”) loan, total bank and other borrowings (exclude the guaranteed notes payable of RMB3,314.2 million) increased by RMB9,882.0 million to RMB37,150.2 million as compared to the end of last year.

Of the total bank and other borrowings, RMB loan amounted to RMB23,962.2 million while the HKD loan amounted to HK\$15,670.0 million (equivalent to RMB13,188.0 million). As at year end, interests of borrowings amounted to RMB3,142.9 million were charged at fixed rate from 3.80% to 5.23% while the remaining borrowings of RMB34,007.3 million were charged at floating rates with a weighted average of 3.81% per annum. About 28.1% of bank and other borrowings is repayable within one year.

On the other hand, the total amortized cost payable of the guaranteed note due in June 2021 amounted to RMB3,314.2 million as at 31 December 2020.

Properties sales and sales deposits collection were satisfactory for the year. Cash and bank balances plus restricted cash and deposits was RMB28,069.1 million in total as at 31 December 2020 (31 December 2019: RMB27,426.7 million). Of which, 99.5% is denominated in RMB while the remaining is mainly in HKD.

As at 31 December 2020, the ratio of net debts (i.e. total borrowings, including the guaranteed notes, net of cash and bank balances and restricted cash and deposits) to total equity was 45.5% (31 December 2019: 15.6%). The management closely monitors the financial position of Group to ensure healthy development of the operation scale and business.

Taking into account of the unutilized bank credit facilities available to the Group of RMB9,002.2 million, the Group's total available funds (including restricted cash and deposits of RMB7,525.8 million) reached RMB37,071.3 million as at 31 December 2020. Besides, in February 2021, the Group seized the opportunity and successfully issued guaranteed notes of US\$512 million with a coupon rate of 2.45% due in 2026. The proceeds will mainly be applied for repayment of the above-mentioned guaranteed notes due in June 2021.

With the development of vaccines, orderly advancement of vaccination and also the effective economic policies of the central government, the Chinese economy is expected to be relatively stable. Focusing on liquidity risk management, the Group continues to implement centralized management policies in financing and cash management, maintains good cash flow and minimizes its financial risks to ensure healthy operations and financial positions. While the international environment is complex and dynamic and financial market is also volatile, the Group maintains close communication with financial institutions, and ensures the continual fulfillment of the financial covenants and receiving of continual supports from all parties.

The Group has not entered into any financial derivatives either for hedging or speculative purpose during the year.

The Group regularly re-evaluates its operational and investment position and endeavour to improve its cash flow and minimize its financial risks.

FOREIGN EXCHANGE EXPOSURE

As the Group conducted its sales, receivables and payables, expenditures and part of the borrowings in RMB for its property development business in China, the management considered a natural hedge mechanism existed in that operations. However, as at 31 December 2020, about 59% and 41% (31 December 2019: 52% and 48%) of the Group's total borrowings (including the guaranteed notes) were denominated in RMB and HKD/USD respectively. Hence, take into account of the debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The exchange rate of RMB to HKD raised by 6.4% in the year and accordingly, the net asset value of the Group increased by RMB1,035.3 million.

The Group continued to enhance its risk management on foreign currency. After balancing the finance cost and risks, the management optimized the proportion of different currencies in its loan portfolio, in response to changes in market environment. The Group continues to closely monitor the volatility of the RMB exchange rate and, if necessary, will further fine-tune the ratio of RMB and HKD/USD debt to minimize the foreign exchange risk.

COMMITMENTS AND GUARANTEE

As at 31 December 2020, the Group had commitments totaling RMB26,121.0 million which related mainly to land costs, property development and construction works. In addition, as a usual commercial practice, the Group issued guarantees to banks totaling RMB34,685.9 million for facilitating end-user mortgages in connection with its property sales in China.

CAPITAL EXPENDITURE AND CHARGES ON ASSETS

The Group had capital expenditures totaling RMB231.7 million approximately during the year, mainly included additions of investment properties, as well as additions of vehicles and furniture, fixtures and office equipment within property, plant and equipment.

On the other hand, as at 31 December 2020, certain property assets in China with aggregate carrying value of RMB10,454.0 million were pledged to obtain RMB5,502.9 million of secured borrowings from certain banks in China for the projects.

EMPLOYEES

As at 31 December 2020, the Group has 2,974 employees (31 December 2019: 2,516). The increase in the number of employees was mainly due to business growth and expansion of operating scale.

The Group is keen to motivate and retain talent and reviews the remuneration policies and packages on a regular basis to recognize employee contributions and respond to changes in the employment market. The total staff costs incurred for the year ended 31 December 2020 was approximately RMB979.8 million (2019: RMB765.9 million). The pay levels of the employees are determined based on their responsibilities, performance and the prevailing market condition. Discretionary bonus was paid to employees based on individual performance while other remuneration and benefits, including the provident fund contributions/ retirement pension scheme, remained at appropriate levels. Different trainings and development opportunities continued to be offered to sharpen employees' capabilities to meet the pace of business growth.

KEY RISKS FACTORS AND UNCERTAINTIES

The Group monitors the development of the industry on regular basis and timely assesses different types of risks in order to formulate proper strategies to minimize the impact to the Group. The following contents list out the key risks and uncertainties identified by the Group:

INVESTMENT RISK

The property market in China diverges with uneven growth among different cities and districts. Under the city-specific policies, it is critical for the Group to replenish and acquire suitable land bank at suitable sites at reasonable price for healthy and continuous growth.

The Group sticks firmly to its prudent investment approach and expands its operating scale in an organized manner. The Group would continue to perform comprehensive due diligence review on new business opportunities and selected cautiously appropriate projects meeting its requirements for investment. At the same time, co-operation with strong and reputable corporations for developing projects jointly are considered to balance risks and rewards.

DEBT REPAYMENT RISK

The financial market is complicated and fast-changing. Cash flow management is one of the major business risks of property development business, which is capital intensive in nature. The risk is mainly arising from lower than expected cash collection from sales and failure to refinance debt upon maturity. In addition, the development of geopolitics, and international political and economic landscape may affect the financing capability of the Group and increase the pressure on capital fund flow.

To preserve sufficient cash flow and safeguard financial health, the Group would continue to expedite property sales and cash collection, remain discreet in land bank replenishment, harmonize the development pace with market conditions and strengthen stock management. The Group would continue to maintain the good relationships and strengthen the communications with financial institutions, and ensure continual fulfillment of the financial covenants. Besides, the Group would also further explore opportunities of different financing accesses to broaden its funding channels.

FOREIGN EXCHANGE RISK

Over the past few years, the exchange rate of RMB has been increasingly market oriented and fluctuated according to the global economic environment. As aforesaid, under the existing debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

To better manage its exchange rate risk, the Group has gradually adjusted the proportion of RMB loan in its entire borrowings portfolio according to market situation. The Group would continue to actively monitor the volatility of RMB exchange rate and after balancing the finance cost and risks, would review the financing strategy constantly to optimize the ratio of RMB and HKD/USD debt at appropriate time and also explore different financing tools to minimize the foreign exchange risk.

MARKET RISK

China's real estate market is susceptible to different factors such as government policies and regulations, economic growth, social environment, customer demands, etc.

The Group is kept abreast with the changes in business environment and regulatory, and timely assesses the impacts on the operations in order to formulate the best strategy for persisted growth. Benefited from the national brand for excellence product, the Group will further strengthen product research and development, improve standardization and gradually increase the supply of renovated flats in its product offerings to meet the changes in customer needs. This strategy will also expedite the development of projects and thus increase the return on investment. Moreover, the Group would alter the construction program of the projects to match the sales progress so that the stock level could be optimized while

the supply of properties could still be warranted.

PRODUCT QUALITY RISK

Property developer has to manage the risk of work quality of major contractors. Reputation of the developer would be dampened by sub-standard housing products arising from improper work procedures and poor site management.

With extensive experience in the property development business, the Group has established a well-defined quality assessment system and would strictly regulate the construction work process in order to ensure smooth running and quality of the property development projects.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Revenue	4	42,909,060	28,590,883
Cost of sales and services provided		(31,267,644)	(19,063,036)
Gross profit		11,641,416	9,527,847
Other income		381,381	390,937
Distribution and selling expenses		(1,368,847)	(1,147,953)
Administrative expenses		(1,069,885)	(793,301)
Other operating expenses		(27,845)	(31,917)
Other gains or losses			
Fair value gain on reclassification of inventories of properties to investment properties		8,123	72,179
Gain on disposal of investment properties		-	2,355
Change in fair value of a derivative financial instrument		-	(3,927)
Gain on bargain purchase		-	4
Operating profit		9,564,343	8,016,224
Finance costs		(43,125)	(33,843)
Share of results of associates		11,955	22,657
Share of results of joint ventures		6,662	290,534
Profit before income tax	6	9,539,835	8,295,572
Income tax expense	7	(4,935,694)	(4,798,611)
Profit for the year		4,604,141	3,496,961
Profit for the year attributable to:			
Owners of the Company		4,374,765	3,329,681
Non-controlling interests		229,376	167,280
		4,604,141	3,496,961
		RMB Cents	RMB Cents
Earnings per share	9		
Basic		127.8	97.3
Diluted		127.8	97.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020	2019
	RMB'000	RMB'000
Profit for the year	4,604,141	3,496,961
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising from translation into presentation currency	1,035,288	(302,751)
Other comprehensive income for the year, net of tax	1,035,288	(302,751)
Total comprehensive income for the year	5,639,429	3,194,210
Total comprehensive income attributable to:		
Owners of the Company	5,410,053	3,026,930
Non-controlling interests	229,376	167,280
	5,639,429	3,194,210

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	2020 RMB'000	2019 RMB'000
Assets and liabilities			
Non-current assets			
Investment properties		3,355,235	2,744,787
Property, plant and equipment		869,409	1,090,024
Right-of-use assets		239,150	348,544
Intangible assets		-	-
Interests in associates		19,056	46,299
Interests in joint ventures		701,038	901,626
Financial assets at fair value through other comprehensive income		1,000	1,000
A derivative financial instrument		-	-
Deferred tax assets		1,242,877	609,534
		6,427,765	5,741,814
Current assets			
Inventories of properties		107,721,167	86,397,320
Other inventories		16,429	4,269
Contract assets		94,732	49,732
Trade and other receivables, prepayments and deposits	10	19,451,556	11,867,467
Amounts due from associates		124,838	60,436
Amounts due from joint ventures		2,091,043	479
Amounts due from non-controlling interests		871,139	581,245
Amount due from a related company		-	171,543
Tax prepaid		2,545,737	1,796,235
Restricted cash and deposits		7,525,826	10,671,299
Cash and bank balances		20,543,265	16,755,435
		160,985,732	128,355,460

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2020

		2020	2019
	<i>Notes</i>	RMB'000	RMB'000
Current liabilities			
Trade and other payables	11	15,699,347	11,989,788
Contract liabilities		70,336,424	54,618,728
Amounts due to associates		13,136	63,823
Amounts due to joint ventures		584,458	815,126
Amounts due to non-controlling interests		2,834,726	5,082,077
Amounts due to related companies		189,482	379,230
Lease liabilities		11,196	11,570
Guaranteed notes payable		3,314,214	-
Taxation liabilities		6,757,759	5,940,199
Borrowings		10,448,303	11,656,478
		110,189,045	90,557,019
Net current assets		50,796,687	37,798,441
Total assets less current liabilities		57,224,452	43,540,255
Non-current liabilities			
Borrowings		26,701,867	15,611,683
Lease liabilities		21,819	24,588
Guaranteed notes payable		-	3,521,449
Amount due to a related company		75,026	-
Deferred tax liabilities		3,189,358	2,869,227
		29,988,070	22,026,947
Net assets		27,236,382	21,513,308
Capital and reserves			
Share capital	12	5,579,100	5,579,100
Reserves		18,554,125	13,966,227
Equity attributable to owners of the Company		24,133,225	19,545,327
Non-controlling interests		3,103,157	1,967,981
Total equity		27,236,382	21,513,308

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”), the People’s Republic of China (the “PRC”) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office and principal place of business is Suites 701-702, 7/F., Three Pacific Place, 1 Queen’s Road East, Hong Kong.

The principal activities of the Group mainly comprise property investment and development, property leasing and investment holding. The Group’s business activities are principally carried out in certain regions in the PRC such as Hefei, Huizhou, Jilin, Lanzhou, Quanzhou, Yancheng, Yangzhou and Yinchuan.

The Company is an associated company of China Overseas Land & Investment Limited (“COLI”). COLI is a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange. COLI’s ultimate holding company is 中國建築集團有限公司 China State Construction Engineering Corporation*, an entity established in the PRC.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the provisions of the Hong Kong Companies Ordinance (“Companies Ordinance”) which concern the preparation of financial statements. In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial information relating to the years ended 31 December 2020 and 2019 included in this preliminary announcement of annual results 2020 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 Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2020 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s report was 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 Companies Ordinance.

The financial statements for the year ended 31 December 2020 were approved and authorized for issue by the Board on 22 March 2021.

* English translation is for identification only

2. PRINCIPAL ACCOUNTING POLICIES

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

All values are rounded to the nearest thousand except otherwise indicated.

Save as described in note 3 “Adoption of New or Revised HKFRS”, the accounting policies used in preparing the consolidated financial statements are consistent with those followed in the Group’s annual financial statements for the year ended 31 December 2019.

3. ADOPTION OF NEW OR REVISED HKFRS

3.1 Adoption of new or revised HKFRS – effective 1 January 2020

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

The Group considers that the adoption of these new standards, amendments and interpretations did not have any significant impact on the Group’s results of operations and financial position for the current and prior period and/or on its accounting policies, except for the amendments to HKFRS 3 as described below.

Amendments to HKFRS 3 - Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 January 2020.

3. ADOPTION OF NEW OR REVISED HKFRS (CONTINUED)

3.2 New or revised HKFRS that have been issued but not yet effective

The following new or revised HKFRS, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1 HK-Int 5 (2020)	Classification of Liabilities as Current or Non-current ⁵ Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁵
Amendments to HKAS 16	Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ¹
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2 ²
Annual Improvements to HKFRS 2018-2020	Amendments to HKFRS 9 Financial Instruments and HKFRS 16 Leases ³

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

⁵ Effective for annual periods beginning on or after 1 January 2023

⁶ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The above new or revised HKFRS that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application.

4. REVENUE

The principal activities of the Group are disclosed in note 1. Revenue derived from the Group's principal activities comprises of the followings:

	2020 RMB'000	2019 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
- Sales of properties	42,701,339	28,317,217
- Hotel and other services income	21,585	81,108
	42,722,924	28,398,325
Revenue from other sources		
- Property rental income	186,136	192,558
Total revenue	42,909,060	28,590,883

5. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's most senior management for the purposes of resource allocation and assessment of segment performance. The Group has identified two reportable segments and other segment for its operating segments as follows:

Property investment and development	—	This segment constructs residential and commercial properties in the PRC. Part of the business is carried out through associates and joint ventures.
Property leasing	—	This segment holds office units, commercial units and hotel properties located in the PRC for leasing to generate rental income and gain from appreciation in the properties' values in the long-term. Part of the business is carried out through a joint venture.
Other segment	—	This segment mainly engages in hotel operations and generates service fee income in relation to hotel operation and other ancillary services.

5. SEGMENT INFORMATION (CONTINUED)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Segment revenue represents revenue from external customers and there were no inter-segment sales between different operating segments during the year or in prior year. Segment profit/loss includes the Group's share of profit/loss arising from the activities of the Group's associates and joint ventures. Reportable segment profit/loss excludes corporate income and expenses and finance costs from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of tax assets and corporate assets, including certain cash and bank balances and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade and other payables, accrued liabilities, amounts due to associates, joint ventures and non-controlling interests and other liabilities directly attributable to the business activities of the operating segments and exclude tax liabilities, other corporate liabilities and liabilities such as borrowings, amounts due to related companies and guaranteed notes payable that are managed on a group basis.

Disaggregation of revenue by timing of revenue recognition

Disaggregation of revenue from contracts with customers by timing of revenue recognition is set out as follows:

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2020</i>				
Revenue from contracts with customers disaggregated by timing of revenue recognition				
- Goods transferred over time	5,754,388	-	-	5,754,388
- Goods transferred at a point in time	36,946,951	-	-	36,946,951
- Services transferred over time	-	-	21,585	21,585
	42,701,339	-	21,585	42,722,924
Revenue from other sources				
- Rental income	-	186,136	-	186,136
	42,701,339	186,136	21,585	42,909,060

5. SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue by timing of revenue recognition (Continued)

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2019</i>				
Revenue from contracts with customers disaggregated by timing of revenue recognition				
- Goods transferred over time	5,857,234	-	-	5,857,234
- Goods transferred at a point in time	22,459,983	-	-	22,459,983
- Services transferred over time	-	-	81,108	81,108
	28,317,217	-	81,108	28,398,325
Revenue from other sources				
- Rental income	-	192,558	-	192,558
	28,317,217	192,558	81,108	28,590,883

Segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit/loss, segment assets, segment liabilities, reconciliations to revenue, profit before income tax, total consolidated assets, total consolidated liabilities and other segment information are as follows:

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2020</i>				
Reportable segment revenue	42,701,339	186,136	21,585	42,909,060
Reportable segment profit/(loss)	9,564,456	159,379	(65,732)	9,658,103
Corporate income				22,257
Finance costs				(43,125)
Other corporate expenses				(97,400)
Profit before income tax				9,539,835

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
As at 31 December 2020				
Reportable segment assets	158,720,700	3,550,957	647,765	162,919,422
Tax assets				3,788,614
Corporate assets [^]				705,461
Total consolidated assets				167,413,497
Reportable segment liabilities	89,279,244	130,520	1,151	89,410,915
Tax liabilities				9,947,117
Borrowings				37,150,170
Amounts due to related companies				264,508
Guaranteed notes payable				3,314,214
Other corporate liabilities				90,191
Total consolidated liabilities				140,177,115
For the year ended 31 December 2019				
Reportable segment revenue	28,317,217	192,558	81,108	28,590,883
Reportable segment profit/(loss)	8,262,218	148,235	(24,357)	8,386,096
Corporate income				16,284
Change in fair value of a derivative financial instrument				(3,927)
Finance costs				(33,843)
Other corporate expenses				(69,038)
Profit before income tax				8,295,572
As at 31 December 2019				
Reportable segment assets	126,820,483	2,945,112	1,086,185	130,851,780
Tax assets				2,405,769
Corporate assets [^]				839,725
Total consolidated assets				134,097,274
Reportable segment liabilities	72,380,346	89,740	16,788	72,486,874
Tax liabilities				8,809,426
Borrowings				27,268,161
Amounts due to related companies				379,230
Lease liabilities				36,158
Guaranteed notes payable				3,521,449
Other corporate liabilities				82,668
Total consolidated liabilities				112,583,966

[^] Corporate assets as at 31 December 2020 mainly included property, plant and equipment, right-of-use assets and cash and bank balances of RMB105,282,000 (2019: RMB114,851,000), RMB99,538,000 (2019: RMB100,137,000), and RMB499,329,000 (2019: RMB471,055,000) respectively which are managed on a group basis.

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

Other information

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Corporate RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2020</i>					
Interest income	259,238	598	56	10,310	270,202
Depreciation and amortization	18,427	2,953	55,425	17,600	94,405
Fair value gain on reclassification of inventories of properties to investment properties	8,123	-	-	-	8,123
Gain on disposal of property, plant and equipment	22,538	-	15	-	22,553
Write-off of property, plant and equipment	101	-	649	-	750
Share of profit of associates	11,955	-	-	-	11,955
Share of profit of joint ventures	2,920	3,742	-	-	6,662
Additions to specified non-current assets [#]	22,877	214,748	4,233	7,961	249,819
<i>As at 31 December 2020</i>					
Interests in associates	19,056	-	-	-	19,056
Interests in joint ventures	587,403	113,635	-	-	701,038
<i>For the year ended 31 December 2019</i>					
Interest income	328,994	808	152	7,233	337,187
Depreciation and amortization	10,531	5,847	46,604	17,393	80,375
Gain on bargain purchase	4	-	-	-	4
Fair value gain on reclassification of inventories of properties to investment properties	72,179	-	-	-	72,179
Gain on disposal of investment properties	-	2,355	-	-	2,355
Gain/(Loss) on disposal of property, plant and equipment	263	136	(8)	-	391
Write-off of property, plant and equipment	32	-	-	-	32
Fair value loss of a derivative financial instrument	-	-	-	3,927	3,927
Share of profit of associates	22,657	-	-	-	22,657
Share of profit of joint ventures	286,322	4,212	-	-	290,534
Additions to specified non-current assets [#]	14,266	25	86,311	2,872	103,474
<i>As at 31 December 2019</i>					
Interests in associates	46,299	-	-	-	46,299
Interests in joint ventures	788,484	113,142	-	-	901,626

[#] Including additions to the Group's investment properties, other properties, plant and equipment, right-of-use assets, interests in associates and joint ventures (i.e. "specified non-current assets"), but excluded those additions arising from acquisition of subsidiaries which was completed in August 2019 and transfers from investment properties and inventories of properties to owner-occupied properties as well as transfer from inventories of properties to investment properties.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

All of the Group's revenue is derived from activities conducted in the PRC excluding Hong Kong. Accordingly, no analysis of the Group's revenue by geographical locations is presented.

An analysis of the Group's specified non-current assets by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates and joint ventures, is as follows:

	2020 RMB'000	2019 RMB'000
Hong Kong	8,755	7,155
Other regions of the PRC	5,175,133	5,124,125
	5,183,888	5,131,280

Information about major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2020 and 2019.

6. PROFIT BEFORE INCOME TAX

	2020 RMB'000	2019 RMB'000
Profit before income tax is arrived at after charging:		
Amortization:		
Intangible assets #	-	2,908
Depreciation:		
Right-of-use assets	20,481	19,354
Property, plant and equipment	73,924	58,113
Total amortization and depreciation	94,405	80,375

included in "Cost of sales and services provided" in the consolidated income statement

7. INCOME TAX EXPENSE

	2020 RMB'000	2019 RMB'000
Current tax for the year		
Hong Kong profits tax	-	-
Other regions of the PRC		
- Enterprise income tax ("EIT")	2,223,335	2,458,164
- Land appreciation tax ("LAT")	2,997,195	3,096,771
	5,220,530	5,554,935
Under provision in prior years		
Other regions of the PRC	28,376	30,243
Deferred tax	(313,212)	(786,567)
	4,935,694	4,798,611

7. INCOME TAX EXPENSE (CONTINUED)

No Hong Kong profits tax has been provided as the Group did not derive any estimated assessable profit in Hong Kong for the current year and in prior year.

EIT arising from other regions of the PRC is calculated at 25% (2019: 25%) on the estimated assessable profits.

PRC LAT is levied at progressive rates from 30% to 60% (2019: 30% to 60%) on the estimated appreciation of land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights and development and construction expenditure.

8. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

	2020 RMB'000	2019 RMB'000
Interim dividend – HK\$0.07 (2019: HK\$0.06) per ordinary share	214,458	184,465
Proposed final dividend – HK\$0.275 (2019: HK\$0.195) per ordinary share (<i>note</i>)	836,227	586,810
	1,050,685	771,275

Note:

The final dividend of HK\$0.275 (2019: HK\$0.195) per ordinary share, amounting to HK\$941,424,000, equivalent to approximately RMB836,227,000 (2019: HK\$667,555,000, equivalent to approximately RMB586,810,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

(b) Dividends payable to owners of the Company attributable to the previous financial year:

	2020 RMB'000	2019 RMB'000
Final dividend in respect of previous financial year, approved and paid during the year of HK\$0.195 (2019: HK\$0.112) per ordinary share	607,697	337,514

9. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to owners of the Company are based on the following data:

Earnings	2020 RMB'000	2019 RMB'000
Profit for the year attributable to owners of the Company	4,374,765	3,329,681
Weighted average number of ordinary shares	2020 '000	2019 '000
Weighted average number of ordinary shares in issue during the year	3,423,360	3,423,360

Diluted earnings per share for the years ended 31 December 2020 and 2019 are same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during both years.

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2020 RMB'000	2019 RMB'000
Trade receivables, net	24,335	16,826
Other receivables, net	2,889,519	3,147,957
Prepayments and deposits	16,537,702	8,702,684
	19,451,556	11,867,467

The ageing analysis of the Group's trade receivables net of loss allowance for impairment, based on invoice date or when appropriate, date of transfer of property, is as follows:

	2020 RMB'000	2019 RMB'000
30 days or below	5,270	10,407
31–60 days	310	236
61–90 days	417	166
91–180 days	538	27
181–360 days	16,758	489
Over 360 days	1,042	5,501
	24,335	16,826

The credit terms in connection with sales of properties granted to the buyers are set out in the sale and purchase agreements and vary for different agreements. Rentals receivable from tenants and service income receivable from customers are generally due on presentation of invoices.

As at 31 December 2020, no material provision was made against the gross amount of trade receivables, other receivables and contract assets.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of unrelated customers.

11. TRADE AND OTHER PAYABLES

	2020 RMB'000	2019 RMB'000
Trade payables	13,727,103	10,153,883
Other payables and accruals	1,783,047	1,573,573
Deposits received	189,197	262,332
	15,699,347	11,989,788

The ageing analysis of the Group's trade payables based on invoice date is as follows:

	2020 RMB'000	2019 RMB'000
30 days or below	3,524,340	2,919,207
31–60 days	1,156,814	695,632
61–90 days	554,139	317,989
91–180 days	2,679,008	1,128,954
181–360 days	1,607,619	1,350,838
Over 360 days	4,205,183	3,741,263
	13,727,103	10,153,883

12. SHARE CAPITAL

	Number of ordinary shares '000	RMB'000
Issued and fully paid		
Balance at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	3,423,360	5,579,100

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 2 February 2021, the Company and China Overseas Grand Oceans Finance IV (Cayman) Limited entered into a subscription agreement (the "2021 Notes Subscription Agreement") regarding the issue of US\$512,000,000 2.45% guaranteed notes due 2026 (the "2021 Guaranteed Notes"). The completion of the 2021 Notes Subscription Agreement took place and the 2021 Guaranteed Notes were issued on 9 February 2021. The 2021 Guaranteed Notes were issued at 99.916% of the principal amount and are listed on the Stock Exchange.

The net proceeds from the issue of the 2021 Guaranteed Notes after deducting the direct transaction costs of RMB10,966,000 were RMB3,310,714,000.

Further details regarding the issue of the 2021 Guaranteed Notes are set out in the announcement of the Company dated 9 February 2021 and the circular published on 10 February 2021.

PROPOSED FINAL DIVIDEND

After reviewing the working capital requirements for the Group's future expansion of its business, the Board has recommended the payment of a final dividend of HK27.5 cents per share for the year ended 31 December 2020. Together with an interim dividend of HK7 cents per share, the total dividend for the whole year amounted to HK34.5 cents per share, HK9 cents increase compared with the total dividend of HK25.5 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 "AGM") and the final dividend warrant is expected to be despatched to the shareholders of the Company on 8 July 2021.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 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 AGM:

- | | |
|---|---|
| - Latest time to lodge transfer documents for registration with the Company's share registrar | At 4:30 p.m. on 15 June 2021 |
| - Closure of Register of Members | 16 June 2021 to 21 June 2021
(both days inclusive) |
| - Record date | 21 June 2021 |

(ii) For determining entitlement to the final dividend:

- | | |
|---|------------------------------|
| - Ex-dividend date | 23 June 2021 |
| - Latest time to lodge transfer documents for registration with the Company's share registrar | At 4:30 p.m. on 24 June 2021 |
| - Closure of Register of Members | 25 June 2021 |
| - Record date | 25 June 2021 |

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 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 share registrar at Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 21 June 2021 at 10:00 a.m. at 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong. The notice of the AGM, which constitutes part of a circular to shareholders of the Company, will be sent together with the 2020 Annual Report.

In light of the uncertain development of the current COVID-19 situation, shareholders of the Company are encouraged to appoint the chairman of the AGM as their proxy to vote on the resolutions, instead of attending the AGM in person. In accordance with the prevailing guidelines published by the Hong Kong Government and/or regulatory authorities, the Company will implement additional precautionary measures at the AGM to ensure the safety of the shareholders attending the meeting. Details of the measures will be set out in the circular to the shareholders, and any further updates will be announced as appropriate.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

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 2020 as set out in this announcement have been agreed by the Group's external auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited 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 BDO Limited on this announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee of the Company has discussed with management and reviewed the Group's annual results and consolidated accounts for the year ended 31 December 2020.

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 2020 and up to the date of this announcement.

On 9 February 2021, the Company and the issuer (a wholly-owned subsidiary of the Company) announced the issuance of US\$512,000,000 2.45 per cent. guaranteed notes due 2026 (the "2021 Guaranteed Notes"). The 2021 Guaranteed Notes are guaranteed by the Company irrevocably and unconditionally and listed on the Stock Exchange.

The net proceeds from the issuance of the 2021 Guaranteed Notes, after deducting the fees and other expenses in connection with the issuance, amounted to approximately US\$509.9 million, which are intended to be used to repay and/or refinance the existing indebtedness of the Group, and for general corporate purposes.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a set of code of conduct for securities transactions by Directors (the "Code of Conduct"), the terms of which are not less exacting than those of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

Having made specific inquiries to all Directors, the Company can reasonably confirm that the Directors have complied with the Code of Conduct throughout the year of 2020.

CORPORATE GOVERNANCE PRACTICE

The Group strives to raise the standards of corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and senior management on abiding by the standards of corporate governance, as well as our commitment to maintain transparency and accountability to maximise the value of our shareholders as a whole.

Except for the deviation from code A.4.1 in the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code"), the Company has applied the corporate governance principles and complied with all the code provisions (where applicable, some of the recommended best practices) set out therein for the year ended 31 December 2020.

Code A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term. Two Non-executive Directors of the Company 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.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE, THE COMPANY AND EQS TODAYIR LIMITED

This results announcement is published on the website of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Information”, the Company’s website at <http://www.cogogl.com.hk> and the website of EQS TodayIR Limited at <http://www.todayir.com/en/showcases.php?code=81>.

The printed copy of the 2020 Annual Report will be sent to shareholders of the Company before end of April 2021 and the soft copy of the 2020 Annual Report will be published on websites of the Stock Exchange, the Company and EQS TodayIR Limited in due course.

By Order of the Board

China Overseas Grand Oceans Group Limited

Zhuang Yong

Chairman and Executive Director

Hong Kong, 22 March 2021

As at the date of this announcement, the Board comprises eight directors, of which three are executive directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Paul Wang Man Kwan; two non-executive directors, namely Mr. Yan Jianguo and Mr. Billy Yung Kwok Kee, and three independent non-executive directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Dantes Lo Yiu Ching.