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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)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

1. Contracted property sales increased by 12.5% to RMB360.72 billion and the corresponding GFA sold was 19.17 million sq m, an increase of 6.8% as compared to last year.

2. Revenue increased by 13.5% to RMB185.79 billion.

3. Operating profit increased to RMB65.23 billion. The property development projects maintained their premium gross profit margins.

4. Profit attributable to the shareholders of the Company increased by 5.5% to RMB43.90 billion. Profit attributable to the shareholders of the Company after deducting RMB5.87 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB38.03 billion, an increase of 10.9% as compared to last year.

5. Basic earnings per share increased by 5.5% to RMB4.01.

6. The Group acquired 64 land parcels in 30 cities in Mainland China and Hong Kong, adding a total GFA of 13.49 million sq m to the land reserve. At 31 December 2020, total land reserve of the Group Series of Companies[1] was 91.90 million sq m.

7. At 31 December 2020, the Group had bank and other borrowings and notes payable amounted to RMB136.81 billion and RMB76.17 billion respectively; bank balances and cash amounted to RMB110.47 billion; the net gearing of the Group was at an industry-low level of 32.6%.

8. The equity attributable to the shareholders of the Company increased from RMB280.60 billion at end of 2019 to RMB314.15 billion at end of 2020, an increase of 12.0%. The net assets per share was RMB28.68. The return on equity was 14.8%.

9. The Board proposed a final dividend of HK73 cents per share. Together with the interim dividend of HK45 cents per share, total cash dividends for the year were HK118 cents per share (2019: HK102 cents per share), an increase of 15.7% as compared to last year.

[1] *The Group together with its associates and joint ventures (collectively the "Group Series of Companies")*

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 2020. The profit attributable to the shareholders of the Company amounted to RMB43.90 billion, an increase of 5.5% as compared to last year. Profit attributable to the shareholders of the Company after deducting RMB5.87 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB38.03 billion, an increase of 10.9% as compared to last year; basic earnings per share was RMB4.01; equity attributable to the shareholders of the Company increased by 12.0% to RMB314.15 billion; net assets per share was RMB28.68; and return on equity was 14.8%. The Board proposed a final dividend of HK73 cents per share.

The audited consolidated results of the Group for the year ended 31 December 2020 and the comparative figures in 2019 are as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Revenue	*3*	**185,789,528**	163,650,953
Direct operating costs		**(129,968,676)**	(108,570,841)
		55,820,852	55,080,112
Other income and gains, net	*4*	**6,363,300**	2,637,890
Gain arising from changes in fair value of investment properties		**9,191,416**	10,002,062
Selling and distribution expenses		**(3,512,875)**	(2,646,272)
Administrative expenses		**(2,631,304)**	(2,729,592)
Operating profit		**65,231,389**	62,344,200
Share of profits and losses of			
Associates		**2,639,918**	2,254,638
Joint ventures		**2,216,133**	1,112,179
Finance costs	*5*	**(883,890)**	(759,297)
Profit before tax		**69,203,550**	64,951,720
Income tax expenses	*6*	**(21,494,912)**	(22,204,315)
Profit for the year		**47,708,638**	42,747,405
Attributable to:			
Owners of the Company		**43,903,954**	41,618,313
Non-controlling interests		**3,804,684**	1,129,092
		47,708,638	42,747,405
		RMB	*RMB*
EARNINGS PER SHARE	*7*		
Basic		**4.01**	3.80
Diluted		**3.99**	3.80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**47,708,638**	42,747,405
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of subsidiaries of the Company	**(702,389)**	167,004
Exchange differences on translation of associates	**338,290**	(124,338)
	(364,099)	42,666
Other comprehensive income for the year	**(364,099)**	42,666
Total comprehensive income for the year	**47,344,539**	42,790,071
Total comprehensive income attributable to:		
Owners of the Company	**43,539,686**	41,659,941
Non-controlling interests	**3,804,853**	1,130,130
	47,344,539	42,790,071

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2020 RMB'000	2019 RMB'000
Non-current Assets			
Investment properties		**140,879,089**	114,020,656
Property, plant and equipment		**5,010,803**	4,019,414
Interests in associates		**14,543,727**	12,430,239
Interests in joint ventures		**18,770,162**	23,876,179
Amounts due from associates		**-**	1,103,456
Other receivables		**450,353**	433,142
Goodwill		**56,395**	56,395
Deferred tax assets		**7,693,664**	7,324,745
		187,404,193	163,264,226
Current Assets			
Stock of properties and other inventories		**458,087,286**	390,982,478
Land development expenditure		**13,403,278**	18,046,053
Trade and other receivables	*9*	**12,196,646**	10,931,518
Contract assets		**3,102,710**	1,753,993
Deposits and prepayments		**10,497,858**	9,215,418
Deposits for land use rights for property development		**4,198,634**	14,026,891
Amounts due from fellow subsidiaries		**312,165**	49,680
Amounts due from associates		**3,580,280**	4,334,368
Amounts due from joint ventures		**8,744,043**	7,068,451
Amounts due from non-controlling shareholders		**2,699,724**	1,059,962
Tax prepaid		**8,961,644**	7,715,181
Bank balances and cash		**110,468,910**	95,447,568
		636,253,178	560,631,561
Current Liabilities			
Trade and other payables	*10*	**82,807,619**	65,812,031
Pre-sales proceeds		**121,121,893**	97,939,167
Amounts due to fellow subsidiaries and a related company		**2,599,775**	2,556,926
Amounts due to associates		**1,706,459**	727,421
Amounts due to joint ventures		**4,197,226**	6,980,871
Amounts due to non-controlling shareholders		**9,337,457**	13,409,714
Lease liabilities - due within one year		**263,030**	72,040
Tax liabilities		**38,123,766**	38,671,775
Bank and other borrowings - due within one year		**27,501,259**	23,217,153
Notes payable - due within one year		**16,303,716**	8,861,117
		303,962,200	258,248,215
Net Current Assets		**332,290,978**	302,383,346
Total Assets Less Current Liabilities		**519,695,171**	465,647,572

	Note	2020 RMB'000	2019 RMB'000
Capital and Reserves			
Share capital	*11*	**74,033,624**	74,033,624
Reserves		**240,112,907**	206,570,068
Equity attributable to owners of the Company		**314,146,531**	280,603,692
Non-controlling interests		**14,202,789**	8,540,933
Total Equity		**328,349,320**	289,144,625
Non-current Liabilities			
Bank and other borrowings - due after one year		**109,307,995**	99,050,354
Notes payable - due after one year		**59,867,471**	58,835,801
Amounts due to non-controlling shareholders		**1,542,377**	2,293,675
Lease liabilities - due after one year		**428,798**	136,267
Deferred tax liabilities		**20,199,210**	16,186,850
		191,345,851	176,502,947
		519,695,171	465,647,572

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.

The financial information relating to the years ended 31 December 2020 and 2019 included in this preliminary announcement of annual results of 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 Hong Kong Companies Ordinance (Cap. 622) 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 Hong Kong 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 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. Application of Revised HKFRSs

In the current year, the Group has applied the Conceptual Framework for Financial Reporting 2018 and the following amendments to HKFRSs issued by the HKICPA which are relevant to the Group:

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

The application of the above amendments has had no material impact on the Group's results and financial position.

The following amendments 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 2020 and have not been early adopted:

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[3]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform - Phase 2*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendment to HKFRS 16	*COVID-19-Related Rent Concessions*[1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[4,6]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[3]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[3]
Annual Improvements to HKFRSs 2018-2020	*Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41*[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 annual periods beginning on or after 1 January 2023*
5 *No mandatory effective date yet determined but available for adoption*
6 *As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised in October 2020 to align the corresponding wording with no change in conclusion*

The Group has already commenced an assessment of the impact of the above amendments and improvements to HKFRSs. So far it has assessed that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. Revenue and results

The Group is organised into business units based on their products and services, based on which information is prepared and reported to the Group's management for the purposes of resource allocation and 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 and provision of 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 2020

	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	**149,712,971**	**-**	**-**	**149,712,971**
- Recognised over time	**31,072,805**	**-**	**951,664**	**32,024,469**
	180,785,776	**-**	**951,664**	**181,737,440**
Revenue from other sources				
- Rental income	**-**	**4,052,088**	**-**	**4,052,088**
Segment revenue - External	**180,785,776**	**4,052,088**	**951,664**	**185,789,528**
Segment profit (including share of profits of associates and joint ventures)	**54,169,938**	**11,589,787**	**69,524**	**65,829,249**

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

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. These represent the profit earned by each segment without allocation of interest income on bank deposits, corporate expenses, finance costs and net foreign exchange gains recognised in the consolidated income statement. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

	2020	2019
	RMB'000	*RMB'000*
Reportable segment profits	**65,829,249**	64,722,906
Unallocated items:		
Interest income on bank deposits	**1,331,513**	1,381,607
Corporate expenses	**(185,496)**	(566,825)
Finance costs	**(883,890)**	(759,297)
Net foreign exchange gains recognised in the consolidated income statement	**3,112,174**	173,329
Consolidated profit before tax	**69,203,550**	64,951,720

4. Other income and gains, net

	2020	2019
	RMB'000	*RMB'000*
Other income and gains, net include:		
Interest income on bank deposits	**1,331,513**	1,381,607
Interest income on amounts due from fellow subsidiaries, associates, joint ventures and non-controlling shareholders	**469,222**	201,602
Other interest income	**17,413**	13,820
Total interest income	**1,818,148**	1,597,029
Income from primary land development	**142,378**	-
Gain on disposal of investment properties	-	234,587
Gain on disposal of property, plant and equipment	**1,850**	6,502
Net foreign exchange gains/(losses)	**3,112,174**	(615,536)
Add: Exchange losses arising from foreign currency borrowings capitalised	-	788,865
Net foreign exchange gains recognised in the consolidated income statement	**3,112,174**	173,329

5. Finance costs

	2020	2019
	RMB'000	*RMB'000*
Interest on bank and other borrowings and notes payable	**7,949,090**	7,950,336
Interest on amounts due to fellow subsidiaries and a related company, associates, joint ventures and non-controlling shareholders	**408,368**	810,333
Interest on lease liabilities and other finance costs	**188,559**	209,498
Total finance costs	**8,546,017**	8,970,167
Less: Amount capitalised	**(7,662,127)**	(8,210,870)
	883,890	759,297

6. Income tax expenses

	2020	2019
	RMB'000	*RMB'000*
Current tax:		
PRC Corporate Income Tax ("CIT")	**10,291,676**	12,170,762
PRC Land Appreciation Tax ("LAT")	**7,310,595**	9,239,598
PRC withholding income tax	**390,636**	192,714
Hong Kong profits tax	**619,913**	59,891
Macau income tax	**41,515**	21,322
Others	**6,637**	2,908
	18,660,972	21,687,195
Over-provision in prior years:		
Hong Kong profits tax	**-**	(713)
	-	(713)
Deferred tax:		
Current year	**2,833,940**	517,833
Total	**21,494,912**	22,204,315

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% (2019: 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% (2019: 16.5%) of the estimated assessable profit for the year.

Macau income tax is calculated at the prevailing tax rate of 12% (2019: 12%) in Macau.

7. 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:

	2020	2019
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculation of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company	**43,903,954**	41,618,313

Basic earnings per share

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**10,955,707**	10,956,201

Diluted earnings per share

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**10,955,707**	10,956,201
Effect of dilution of share options under the Company's share option scheme – weighted average number of ordinary shares	**57,844**	6,152
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	**11,013,551**	10,962,353

8. Dividends

	2020	2019
	RMB'000	*RMB'000*
Dividends recognised as distributions during the year		
Interim dividend in respect of the financial year ended 31 December 2020 of HK45 cents per share (2019: Interim dividend in respect of the financial year ended 31 December 2019 of HK45 cents per share)	**4,314,747**	4,294,283
Final dividend in respect of the financial year ended 31 December 2019 of HK57 cents per share (2019: Final dividend in respect of the financial year ended 31 December 2018 of HK50 cents per share)	**5,651,542**	4,771,426
	9,966,289	9,065,709

The final dividend of HK73 cents per share in respect of the financial year ended 31 December 2020, amounting to approximately RMB6,740,124,000 has been proposed by the Board and is subject to approval by the shareholders at the forthcoming Annual General Meeting. The amount of the 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.

9. 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 leases 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.

As at the end of the reporting period, the ageing analysis of trade receivables, based on the date the trade receivables recognised, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Trade receivables, aged		
0 – 30 days	**7,354,974**	6,775,299
31 – 90 days	**479,419**	290,480
Over 90 days	**1,397,458**	1,207,510
	9,231,851	8,273,289
Other receivables – current portion	**2,964,795**	2,658,229
	12,196,646	10,931,518

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 track record of repayment from them, 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 the provision was insignificant at the end of the reporting period (2019: Nil).

10. 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:

	2020	2019
	RMB'000	*RMB'000*
Trade payables, aged		
0 – 30 days	**27,951,928**	20,544,498
31 – 90 days	**6,808,434**	2,183,732
Over 90 days	**29,848,576**	21,315,096
	64,608,938	44,043,326
Other payables	**9,942,188**	10,318,488
Retentions payable	**8,256,493**	11,450,217
	82,807,619	65,812,031

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

11. Share capital

	Number of shares		
	'000	***HK$'000***	***RMB'000***
Issued and fully paid			
At 1 January 2019, 31 December 2019 and 1 January 2020	**10,956,201**	**90,420,438**	**74,033,624**
Shares repurchased (Note)	**(3,016)**	**–**	**–**
At 31 December 2020	**10,953,185**	**90,420,438**	**74,033,624**

Note:

During the year ended 31 December 2020, the Company bought back a total of 3,016,500 (2019: Nil) of its shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of RMB51,521,000 (inclusive of transaction costs) which was paid fully out of the Company's retained profits in accordance with Section 257 of the Hong Kong Companies Ordinance. Out of these shares repurchased, 2,116,500 Shares were cancelled during the year while the remaining 900,000 Shares were cancelled in January 2021. The total amount paid for the buy-back of the shares has been charged to retained profits of the Company.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK73 cents per share for the year ended 31 December 2020. Together with an interim dividend of HK45 cents per share, the total dividend for the whole year amounted to HK118 cents per share, HK16 cent increase compared with the total dividend of HK102 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 "**2021 AGM**") and the final dividend warrant is expected to be despatched to the shareholders of the Company on 12 July 2021.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2021 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 2021 AGM:

- Latest time to lodge transfer documents for registration with the Company's registrar and transfer office	At 4:30 p.m. on 16 June 2021
- Closure of Register of Members	17 June 2021 to 22 June 2021 (both days inclusive)
- Record date	22 June 2021

(ii) For determining entitlement to the final dividend:

- Ex-dividend date	24 June 2021
- Latest time to lodge transfer documents for registration with Company's registrar and transfer office	At 4:30 p.m. on 25 June 2021
- Closure of Register of Members	28 June 2021
- Record date	28 June 2021

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2021 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, 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

Eyes on the Long Term
Grow Through Openness

In 2020, despite the severe impact of the pandemic and the associated uncertainty, the Group achieved substantive growth.

In 2020, the Group Series of Companies achieved contracted property sales of RMB360.72 billion, an increase of 12.5% as compared to last year. The audited profit attributable to the shareholders of the Company amounted to RMB43.90 billion, an increase of 5.5% as compared to last year; profit attributable to the shareholders of the Company after deducting RMB5.87 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB38.03 billion, an increase of 10.9% as compared to last year; basic earnings per share was RMB4.01; equity attributable to the shareholders of the Company increased to RMB314.15 billion; net assets per share was RMB28.68; and return on equity was 14.8%. The Board proposed a final dividend of HK73 cents per share.

This performance, as always, was rock solid.

Under the central government's supervision policy, the Group has not breached any of the "three red lines" and is a "green category" enterprise. At the end of 2020, the Group's liability to asset ratio was 60.1%, net gearing 32.6%, and cash on hand RMB110.47 billion. With sufficient funds and financial stability, the Group has greater room to seize market opportunities. In 2020, the Group added 64 land parcels, with attributable land premium amounting to RMB131.84 billion, corresponding to approximately RMB274.17 billion in newly added saleable resources, which ranks among the highest level in the industry.

In 2021, in keeping with the new five-year plan of the national economy, we will embark on a new journey. Looking to the future, we will continue to adhere to the doctrine of focusing on the long-term and working for solid growth in an uncertain world.

Competitive development in the real estate market is a long race, and the second half of the game has just begun, with "segmentation" as the key characteristic in the real estate market. Specifically, the "Five Segmentations" will be:

First: market segmentation. First- and second-tier, and strong third-tier, cities will be the main battlefields in the second half of the real estate match.

Second: enterprise segmentation. The "three red lines" financial supervision policy for real estate companies and the "two red lines" for commercial bank real estate loans and personal housing loans will block the expansion of highly leveraged real estate companies, and the channel for rapid growth of small and medium-sized real estate companies will be closed. Industry consolidation by survival of the fittest will further accelerate.

Third: investment segmentation. Land is increasingly scarce, and the amount of investment in a single project is rising. Those with stable finance and strong capital will have more opportunities; likewise, companies with urban operational capability to invest in commercial assets, reform of older cities and urban renewal.

Fourth: management segmentation. The industry has entered a stage where management effectiveness is required, and only companies with strong organisational and digital management capabilities will triumph.

Fifth: product strength segmentation. Good products and good services are always the key to winning customers.

Our resources and capabilities effectively match the “Five Segmentations” trends that bestow on the Group’s several comparative advantages. This is the cornerstone of our solid growth in an uncertain world.

Facing the future, we will actively embrace changes and grow with openness amid uncertainty.

We will continue to focus 90% of our resources on the main business of residential development to adapt to the second half of the real estate market in which high-quality land is increasingly scarce. The Group will promote the “blue ocean strategy” of land investment and increased openness to cooperation. In the large markets of first- and second-tier cities, consolidating the Group’s urban operational capabilities in the investment and development of commercial and cultural projects, the Group cooperated with a number of major developers to run large-scale, mixed-use projects such as in urban renewal, reform of older cities and development close to rail access. In 2020, the Group successfully secured a batch of mega-sized projects including the Shanghai Hongqi Village project, Wuhan Hanyang District project, Taiyuan Tanghuaichanyeyuan District project, and Shanghai East Jianguo Road project, each with a construction area in excess of one million sq m and averaging tens of billions of RMB of saleable resources. In 2020, the value of the Group’s newly added attributable land premium through the “blue ocean strategy” reached RMB32.73 billion, accounting for 24.8% of the total newly added attributable land premium in the year. In the second half of the game, with greater segmentation, the Group will also take advantage of its financial capital to actively seek suitable merger and acquisition opportunities within the industry.

Looking forward, we will seize the opportunities derived from rapid technological advances to promote the rapid iteration of the upstream and downstream industrial chain of real estate development, fostering outward-facing growth of the Group’s business for tomorrow and the day after tomorrow.

The 2020 pandemic has had an impact on the operation of commercial assets, but the fast-paced economic recovery that is following the pandemic will foster explosive growth in demand for commercial properties. Core office properties and shopping malls are still high-quality assets that can ride economic cycles.

In 2020, the Group’s operating revenue from commercial properties reached RMB4.40 billion, and the revenue target of RMB12 billion is expected to be achieved in 2025.

As the largest single-ownership office developer and operator in Mainland China, in 2020, the Group Series of Companies owned and operated 49 office buildings, with the direct lease transaction ratio reaching 70%. Fortune Global 500 companies account for more than 25% of the leased area, and 44% of the leased area was taken up as whole floors. As at the end of 2020, the Group Series of Companies held 72 office buildings in operation and under development, with a total construction area of 5.45 million sq m. Leveraging its industry-leading office building operation and management capabilities, the Group Series of Companies has launched seven office building projects with asset-light management, with a total area of 380,000 sq m.

Shopping malls are an important growth business of the Group, comprising the city centre commercial brands Unipark and Uni ELITE, along with community business brand UniFUN. In 2020, the Group Series of Companies operated and managed 16 shopping malls under its ownership. As at the end of 2020, the Group Series of Companies held 37 shopping malls in operation or under development, with a total construction area of 3.94 million sq m. In the next few years, high-quality benchmark-setting shopping malls in Shanghai, Chengdu, Wuhan, Zhuhai and other places will pick up the pace in their market entry. In 2020, the Group completed the first acquisition of a 127,000 sq m shopping mall, which after renovation operates as Foshan Yingyue Lake Unipark. Going forward, regular mergers and acquisitions of high-quality shopping malls will be one of the important ways for the Group to expand its revenue from commercial properties.

As at the end of 2020, the Group Series of Companies own and operate 12 star-rated hotels. As well as collaborations with international hotel groups, the Group operated its own hotel brand, The COLI Hotel, which continues to enjoy a blossoming reputation in the market. Actively responding to the long-term mechanism of “simultaneous lease and sale”, the Group will take the opportunity to expand the pilot scheme of leased housing construction on collective land to accelerate the development of long-term leased apartments.

Centred on the development of its education, senior living and logistics businesses, the Group resolved to expand related diversified businesses around the upstream and downstream industrial chain of real estate development, and remarkable success was achieved in the expansion of multiple businesses. In the next few years, the Group will boost efforts to promote the independent development of related businesses.

Hua Yi, a subsidiary of the Group, is a national high-tech enterprise with double A-grade qualifications in construction engineering and urban planning, and ranks among the top 100 design institutes in Mainland China. In 2020, contracts were signed to a value of RMB810 million, an increase of 26.6% as compared to last year.

Under the national strategy driven by technological innovation, taking advantage of the Group’s wide-scale application of new technologies and new products, we expanded upstream and downstream investments, built a technology investment ecosystem and a number of investment oriented subsidiaries driven by technology, which have cultivated the Group’s second growth curve.

In 2020, the Group invested in the establishment of Lingchao Supply Chain Management Company. Driven by the goal of further strengthening the cost advantage of centralised procurement, the Group is committed to building an integrated, industry-leading B2B service platform for buying and selling building materials. The Group also established Haizhichuang Technology Company Limited, it focuses on investing in smart space and smart community products, technology research and development and application, and invests in technology-based companies in related fields. We sincerely welcome fellow businessmen and upstream and downstream cooperative enterprises to join hands, empower each other, and grow together in an open manner.

The world is facing greater and greater complexity with uncertainty. We will keep our eyes focused on the long term, always be open to opportunities, grow with resilience, and turn our efforts into miracles.

For 2016 to 2020, the Group has allocated a total of HK$51.16 billion in dividends to shareholders. Going forward, working to create greater value for shareholders will remain an important part of our mission.

Finally, I take this opportunity to extend my heartfelt gratitude to my colleagues on the Board of Directors and all employees for their dedication, professionalism and determination to pursue excellence. I would also like to express my sincere gratitude to shareholders and partners for their support and trust.

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

MANAGEMENT DISCUSSION & ANALYSIS

Overall Performance

In 2020, under the impact of the COVID-19 pandemic, the global economy and livelihoods faced mounting challenges. By implementing powerful pandemic prevention and control measures, the pandemic situation in Mainland China was relatively brought under control and became the only major economy in the world to show positive growth. During the year, construction and sales of residential and other properties were inevitably affected to a certain extent. The Group took effective action, achieving stable growth and staying well poised to sustain the momentum needed to withstand the impact of economic fluctuations and the pandemic.

During the year, the revenue of the Group increased to RMB185.79 billion, an increase of 13.5% as compared to last year. The operating profit was RMB65.23 billion, an increase of 4.6% as compared to last year. The gross profit margin was 30.05% and the net profit margin reached 23.6%, which were at an outstanding level in the industry. The ratio of selling, distribution and administrative expenses to revenue was 3.3%, once again one of the lowest in the industry. Profit attributable to the shareholders of the Company amounted to RMB43.90 billion, an increase of 5.5% as compared to last year. Profit attributable to the shareholders of the Company after deducting RMB5.87 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB38.03 billion, an increase of 10.9% as compared to last year. Basic earnings per share was RMB4.01, an increase of 5.5% as compared to last year.

Property Development

During the year, the Group's revenue from property development was RMB180.79 billion, an increase of 13.6% as compared to last year. The property development projects maintained their premium gross profit margin.

During the year, the net profit contribution from associates and joint ventures amounted to RMB4.86 billion. The major associate, China Overseas Grand Oceans Group Limited ("COGO"), recorded contracted property sales of RMB64.71 billion, revenue of RMB42.91 billion, and profit attributable to the shareholders of RMB4.37 billion. COGO contributed a net profit of RMB1.68 billion to the Group during the year.

During the year, the Group Series of Companies (excluding COGO) completed the projects with a total area of 17.86 million sq m in 28 cities in Mainland China and in Hong Kong.

The area of projects completed by region in 2020 is as below:

City	Total Area ('000 sq m)
Hua Nan Region	
Guangzhou	1,379
Changsha	514
Zhuhai	379
Fuzhou	355
Xiamen	189
Foshan	153
Hainan	81
Shenzhen	32
Sub-total	**3,082**
Hua Dong Region	
Nanjing	1,195
Shanghai	327
Ningbo	210
Nanchang	142
Sub-total	**1,874**
Hua Bei Region	
Beijing	1,746
Jinan	1,249
Tianjin	469
Wuhan	334
Taiyuan	219
Sub-total	**4,017**
Northern Region	
Qingdao	2,276
Shenyang	1,363
Dalian	593
Changchun	583
Yantai	445
Harbin	158
Sub-total	**5,418**
Western Region	
Xi'an	1,177
Chengdu	1,133
Xinjiang	393
Chongqing	358
Kunming	297
Sub-total	**3,358**
Hong Kong and Macau	
Hong Kong	107
Sub-total	**107**
Total	**17,856**

During the year, the Group acquired 64 land parcels in 30 cities in Mainland China and in Hong Kong, adding a total GFA of 13.49 million sq m to the land reserve (attributable interest of 13.28 million sq m). The total land premium was RMB135.79 billion (attributable interest of RMB131.84 billion).

The table below shows the details of land parcels added in 2020:

City	**Name of Development Project**	**Attributable Interest**	**Land Area ('000 sq m)**	**Total GFA ('000 sq m)**
Shanghai	Putuo District Project #1	70%	42	398
Beijing	Shijingshan District Project	100%	27	114
Shanghai	Putuo District Project #2	70%	6	29
Shanghai	Putuo District Project #3	70%	24	107
Beijing	Chaoyang District Project	80%	81	193
Changsha	Yuelu District Project #1	100%	148	415
Shenyang	Heping District Project	100%	109	291
Changsha	Yuelu District Project #2	100%	136	549
Taiyuan	Wanbailin District Project #1	100%	75	318
Weihai	Huancui District Project	100%	54	143
Tianjin	Hexi District Project	100%	143	444
Dalian	Zhongshan District Project	100%	26	91
Foshan	Nanhai District Project	100%	99	429
Taiyuan	Wanbailin District Project #2	100%	51	277
Taiyuan	Wanbailin District Project #3	100%	18	83
Taiyuan	Wanbailin District Project #4	100%	40	287
Suzhou	Gaoxin District Project	100%	102	190
Ningbo	Haishu District Project	100%	12	32
Harbin	Nangang District Project	100%	21	57
Wuhan	Hanyang District Project #1	100%	70	675
Wuhan	Hanyang District Project #2	100%	107	700
Shenyang	Dadong District Project	100%	160	388
Changchun	Luyuan District Project	100%	49	81
Taiyuan	Tanghuaichanyeyuan District Project #1	100%	17	68
Taiyuan	Tanghuaichanyeyuan District Project #2	100%	97	293
Taiyuan	Tanghuaichanyeyuan District Project #3	100%	142	421
Taiyuan	Tanghuaichanyeyuan District Project #4	100%	74	212
Beijing	Fangshan District Project	100%	47	190
Nanjing	Jiangning District Project	100%	92	185
Guangzhou	Zengcheng District Project	100%	23	83
Taiyuan	Wanbailin District Project #5	100%	79	397
Taiyuan	Wanbailin District Project #6	100%	36	38
Beijing	Economictechnological Development District Project	100%	85	263
Chengdu	Chenghua District Project	100%	61	183
Harbin	Nangang District Project #2	100%	71	239
Harbin	Nangang District Project #3	100%	76	255
Haikou	Longhua District Project	100%	30	116

City	Name of Development Project	Attributable Interest	Land Area ('000 sq m)	Total GFA ('000 sq m)
Beijing	Shijingshan District Project #2	100%	74	393
Wuxi	Jiangyin City Project	100%	24	63
Jinan	Huaiyin District Project	100%	34	92
Jinan	Tianqiao District Project	100%	62	233
Dongguan	Shijie Town Project	100%	25	89
Dongguan	Songshan Lake HiTech Industrial Development Zone Project	100%	43	184
Xiamen	Jimei District Project	100%	30	98
Qingdao	Shibei District Project	100%	53	257
Taiyuan	Wanbailin District Project #7	100%	1	1
Taiyuan	Wanbailin District Project #8	100%	1	5
Taiyuan	Wanbailin District Project #9	100%	1	8
Chongqing	Yubei District Project	100%	43	233
Shenzhen	Longhua District Project	100%	24	169
Dongguan	Dalingshan Town Project	100%	39	131
Guangzhou	Haizhu District Project	100%	34	153
Wenzhou	Lucheng District Project	100%	12	52
Nanjing	Qixia District Project	100%	35	113
Harbin	Xiangfang District Project	100%	56	169
Zhuhai	Xiangzhou District Project	100%	192	616
Shenzhen	Nanshan District Project	100%	4	54
Hong Kong	Kai Tak Project	80%	6	45
Dalian	Shahekou District Project	100%	48	124
Shijiazhuang	Qiaoxi District Project	100%	55	185
Shenyang	Sujiatun District Project	100%	78	233
Kunming	Panlong District Project	100%	53	270
Nanchang	Economic and Technical Development Zone Project	100%	54	142
Jinan	Licheng District Project	100%	66	141
Total			**3,677**	**13,487**

At 31 December 2020, the Group Series of Companies (excluding COGO) had a total land reserve of 61.79 million sq m (attributable interest of 52.36 million sq m).

During the year, the major associate COGO increased its land reserve by 11.57 million sq m. At 31 December 2020, COGO total land reserve was 30.11 million sq m (attributable interest of 26.62 million sq m).

The total land reserve of the Group Series of Companies reached 91.90 million sq m.

Property Investment

During the year, the rental income from the Group's investment properties amounted to RMB4.05 billion, an increase of 8.1% as compared to last year, of which rental income from office buildings amounted to RMB3.17 billion, an increase of 9.5% as compared to last year; rental income from shopping malls amounted to RMB870 million, an increase of 3.1% as compared to last year.

The gain arising from changes in fair value of investment properties amounted to RMB9.19 billion, a decrease of 8.1% as compared to last year. The net gains after tax attributable to the shareholders of the Company amounted to RMB5.87 billion, a decrease of 19.9% as compared to last year.

Other Operations

During the year, revenue from other operations amounted to RMB950 million, an increase of 33.0% as compared to last year, of which income from hotels and other commercial properties was RMB350 million, a decrease of 13.6% as compared to last year.

Liquidity, Financial Resources and Debt Structure

With the COVID-19 pandemic outbreak in 2020, the global economy showed a negative growth trend, with intensified volatility in interest rates, exchange rates and financial markets. During the year, the Group continued to study and analyse onshore and offshore environment, adhered to the principle of prudent financial capital management, implemented effective financial management and control, capital utilisation and centralised financing management models, and maintained reasonable borrowing and cash levels. During the year, the central government introduced the "three red lines, categorised monitoring" real estate financial supervision policy, the Group has not breached any of the red lines and is a "green category" enterprise.

The overall financial position of the Group was satisfactory. At 31 December 2020, the net current assets were RMB332.29 billion, the current ratio was 2.1 times, interest coverage ratio was 7.8 times and the weighted average borrowing cost was 3.8%, which were at an outstanding level in the industry.

The Group continues to take advantage of onshore and offshore dual financing platforms and flexibly uses multiple tools to optimally apply various financing structures. In 2020, the Group successfully issued US$1 billion of medium-term notes offshore. In addition, the Group issued a total of RMB12.6 billion of onshore bonds. Among these, RMB3.7 billion of the green commercial mortgage-backed security ("CMBS"), being the first and the largest-ever domestic green CMBS project with the lowest issuing rate, which also won CMBS of the Year at "Frontiers Awards" in the 5th Annual China Real Estate Securitization Summit; RMB2 billion of rental housing corporate bonds; RMB2.4 billion of corporate bonds. The Group seized opportunities in market and signed a number of new bilateral loan agreements onshore and offshore during the year, through which, the loan portfolios have been enhanced, existing debts have been replaced precisely, elastic financing principle was implemented, currency positions were adjusted rationally and operating capital was supplemented.

During the year, the Group raised funds from onshore and offshore debt financing amounted to RMB64.09 billion. Total repayment of matured debts amounted to RMB37.33 billion. Sales proceeds collection increased by 13.6% to RMB227.38 billion. Total capital expenditure payments for the Group were RMB197.26 billion (of which RMB134.82 billion was spent on land premiums and RMB62.44 billion was spent on construction-related expenditure). About RMB42.49 billion was paid in taxes, selling and distribution expenses, administrative expenses and financing expenses. At the end of December 2020, unpaid land premiums of the Group was RMB28.17 billion.

At 31 December 2020, bank and other borrowings and notes payable by the Group amounted to RMB136.81 billion and RMB76.17 billion respectively. Total interest-bearing debt amounted to RMB212.98 billion, of which RMB43.80 billion will be matured within a year, accounting for 20.6% of total interest-bearing debt. Among total interest-bearing debt, 25.9% was denominated in Hong Kong dollars, 19.8% was denominated in US dollars, 53.5% was denominated in Renminbi and 0.8% was denominated in Pounds Sterling. Fixed-rate debt accounted for 39.1% of overall interest-bearing debt while the remaining was floating-rate debt.

At 31 December 2020, the Group's available funds amounted to RMB173.85 billion comprising bank balances and cash of RMB110.47 billion (of which 4.7% was denominated in Hong Kong dollars, 2.6% was denominated in US dollars, 92.2% was denominated in Renminbi, 0.2% was denominated in Pounds Sterling and minimal amounts were denominated in other currencies) and unused banking facilities of RMB63.38 billion.

The international financial markets experienced great turmoil in 2020, with interest rates and exchange rates fluctuating widely. Later, with the global implementation of quantitative easing policies, global interest rates fell rapidly. Mainland China's economy was one of the first to escape the impact of the pandemic, with the economy recovering expeditiously, and money and credit supply gradually returning to normal. During the year, the fundamental of Mainland China's economy provided support for the RMB exchange rate, allowing the RMB exchange rate against the US dollar to continue to rise in the second half of the year, and achieved an overall appreciation over the year. 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.

Sustainable Development

During the year, the Group continued to improve disclosure transparency of the environmental, social and governance report in compliance with the Guide under Appendix 27 of the Hong Kong Stock Exchange and the GRI guidance and with reference to SASB. With growing concern for climate change issues, during the year, the Group commenced works pertaining to climate change risks, as well as started a work plan on managing 2020-2023 climate change issues with reference to the TCFD framework, responding to the expectations of the capital market.

The Board of Directors of the Company in 2020 delegated the Executive Committee to be responsible for the Company's environmental, social and governance (ESG) matters. To strengthen the Board's involvement in all ESG-related matters, a Board-level Corporate Governance Committee, where the majority of its members is Independent Non-executive Directors of the Company, has been established on the date of this announcement so as to demonstrate to our stakeholders that the Board is taking its corporate responsibility and sustainable development to the next level. The Corporate Governance Committee will provide long-term direction and strategies on sustainability-related matters, identify ESG risks, and review and monitor management's execution of sustainability projects. To support the Corporate Governance Committee, we also have an established organisation structure of an ESG working group, and had established the ESG strategic framework under the framework of being "a Company of Four Excellences", for planning and achieving qualitative and quantitative sustainability targets, which covered from green building area, air quality testing, customer satisfaction, employee satisfaction, employee training, carbon emissions to energy consumption density. Being well-recognised by the market for such measures, the Company was included in the Hang Seng ESG50 Index newly introduced by Hang Seng Index Company Limited in July.

In 2020, all of the Group's new development projects had either obtained or were obtaining national green building certifications. As at the end of 2020, the Group had 64 new projects obtaining green building certifications, with a certified GFA of 10.95 million sq m; one project obtaining Platinum-level pre-certification under the WELL Building Standard, and the Group was granted for the first time the "Healthy Building Label (健康建築評價標識)" certification, under the Group Standard of Architectural Society of Mainland China, where 16 projects were certified. As at the end of 2020, the Group has accumulated 379 certifications and an accumulative green GFA reaching 71.47 million sq m, including National Green Building Star Certifications, US LEED certification, US BOMA certification, US WELL certification and UK BREEAM certification.

During the year, the Group continued to expand recruitment channels to select talents and recruited a total of 881 employees through three major recruitment brands, namely "Sons of the Sea", "Sea's Recruits" and "Stars of the Sea". The Group launched the first share options incentive scheme in 2018, and during the year launched the second share options incentive scheme which granted a total of 285,840,000 shares to reward 1,131 senior management, core technical and management personnel of the Company who directly contributed to the overall business performances and development of the Company.

During the year, in face of the COVID-19 pandemic, the Group shouldered its corporate social responsibility in pandemic prevention and control by promptly establishing a pandemic prevention and control regime, using various channels such as WeChat official account and public areas in buildings to disseminate knowledge and information on pandemic prevention and control in a timely manner. Furthermore, it conducted trainings and seminars on pandemic prevention for employees, homeowners and tenants through point-to-point and small-group meetings.

In order to ensure the safety and protection of every employee, while putting in place a shift duty system during the early stage of the pandemic to maintain daily operation while protecting the health and safety of staff, the Group compiled an internal pandemic prevention and control regime and a pandemic prevention manual for employees, work orderly resumed in late March and production speeded up. During the year, the Group reached rent reduction agreement of approximately RMB125 million with 1,300 commercial properties tenants. The Group fully supported the prevention and control work against the COVID-19 pandemic in Wuhan and other regions by donating anti-epidemic materials to medical institutions in cities such as Wuhan and Shenzhen to proactively fulfill its corporate social responsibility.

2020 marked the end of "poverty alleviation" efforts. The Group achieved various targeted poverty alleviation initiatives, including poverty alleviation through industry support and education, in Kangle County, Kang County and Zhuoni County in Gansu Province. Among these efforts, the Group assisted Kangle County during the whole process of building its native agricultural product brand, "Kangle Mushroom", as well as promoted the sales of native mushrooms, which gained a wide reputation. During the year, the Group had been awarded "Corporate Citizen of the Year 2020" and "Outstanding Enterprise in Social Responsibility 2020".

ANNUAL GENERAL MEETING

The 2021 AGM will be held on Tuesday, 22 June 2021 at 11:00 a.m.. The notice of the 2021 AGM, which constitutes part of a circular to shareholders of the Company, will be sent to the shareholders of the Company in due course.

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.

Buy-back of Shares

During the year ended 31 December 2020, the Company repurchased a total of 3,016,500 shares of the Company (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate consideration (before expenses) of HK$57,740,485. Out of 3,016,500 Shares repurchased during the year, 2,116,500 Shares were cancelled during the year ended 31 December 2020 while the remaining 900,000 Shares were cancelled in January 2021.

Details of the Shares repurchased during the year are as follows:

Month	Number of Shares repurchased	Price paid per Share		Aggregate consideration (before expenses)
		Highest HK$	Lowest HK$	HK$
June 2020	416,500	23.95	23.75	9,939,385
August 2020	200,000	22.95	22.90	4,585,000
September 2020	500,000	19.94	19.90	9,962,000
December 2020	1,900,000	17.82	17.16	33,254,100
	3,016,500			57,740,485

Subsequent to the end of the reporting period and up to the date of this announcement, the Company has repurchased a total of 8,370,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$130,912,752. Such repurchased Shares were subsequently cancelled. Details of the Shares repurchased after the end of the reporting period are as follows:

Month	Number of Shares repurchased	Price paid per Share		Aggregate consideration (before expenses)
		Highest HK$	Lowest HK$	HK$
January 2021	8,370,000	18.30	15.08	130,912,752

Issue of Debentures

On 2 March 2020, China Overseas Finance (Cayman) VIII Limited, a wholly-owned subsidiary of the Company, issued 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**") under its US$2,500,000,000 medium term note programme established on 8 July 2019. The net proceeds, after deducting the expenses in connection with the issue of the Guaranteed Notes, are used to repay and/or refinance the existing indebtedness of the Group. The Guaranteed Notes are listed on the Stock Exchange and are guaranteed by the Company irrevocably and unconditionally.

Beijing China Overseas Plaza Commercial Development Ltd.* (the "**Beijing China Overseas Plaza**"), a wholly-owned subsidiary of the Company, issued the following securities during the year:

(i) On 28 April 2020, RMB3,701,000,000 green commercial mortgage-backed securities (due April 2038) was issued, which includes preferred class securities of RMB3,700,000,000 2.5 per cent. and equity class securities of RMB1,000,000 (Beijing China Overseas Plaza subscribed for all equity class securities) ("**CMBS 1**"). The net proceeds, after deducting the expenses in connection with the issue of CMBS 1, are used to repay existing indebtedness and outstanding liabilities of the Group. CMBS 1 is listed on the Shenzhen Stock Exchange and is guaranteed by a subsidiary of the Company and secured with the Group's properties and rental receivables.

(ii) On 17 August 2020, RMB3,001,000,000 commercial mortgage-backed securities (due August 2038) was issued, which includes preferred class securities of RMB3,000,000,000 3.9 per cent. and equity class securities of RMB1,000,000 (Beijing China Overseas Plaza subscribed for all equity class securities) ("**CMBS 2**"). The net proceeds, after deducting the expenses in connection with the issue of CMBS 2, are used to repay existing indebtedness and outstanding liabilities of the Group. CMBS 2 is listed on the Shenzhen Stock Exchange and is guaranteed by a subsidiary of the Company and secured with the Group's properties and rental receivables.

China Overseas Development Group Co., Ltd.* (“**China Overseas Development**”), a wholly-owned subsidiary of the Company, issued the following securities during the year and up to the date of this announcement:

(i) On 14 August 2020, RMB2,000,000,000 3.2 per cent. rental housing corporate bonds due August 2026 was issued. The net proceeds, after deducting the expenses in connection with the issue of the corporate bonds, are used for rental housing construction projects and general working capital requirements of the Group. The corporate bonds are listed on the Shenzhen Stock Exchange.

(ii) On 9 November 2020, RMB2,400,000,000 3.4 per cent. corporate bonds due November 2023 was issued. The net proceeds, after deducting the expenses in connection with the issue of the corporate bonds, are used to repay and/or refinance the existing indebtedness of the Group. The corporate bonds are listed on the Shenzhen Stock Exchange.

(iii) On 10 December 2020, RMB1,500,000,000 3.6 per cent. medium term notes due December 2023 was issued. The net proceeds, after deducting the expenses in connection with the issue of the medium term notes, are used to repay and/or refinance the existing indebtedness of the Group. The medium term notes are issued in the interbank market of the PRC.

(iv) On 13 January 2021, RMB1,500,000,000 3.35 per cent. medium term notes due January 2024 was issued. The net proceeds, after deducting the expenses in connection with the issue of the medium term notes, are used to repay and/or refinance the existing indebtedness of the Group. The medium term notes are issued in the interbank market of the PRC.

Redemption of Listed Securities

China Overseas Finance (Cayman) II Limited, a wholly-owned subsidiary of the Company, issued US$1,000,000,000 5.5 per cent. guaranteed notes on 10 November 2010 which were listed on the Stock Exchange. The guaranteed notes were redeemed in whole at par on 10 November 2020 (i.e. maturity date of the guaranteed notes).

CITIC Real Estate Group Company Limited* (“**CITIC Real Estate**”), a wholly-owned subsidiary of the Company, issued RMB4,000,000,000 4.8 per cent. non-publicly issued corporate bonds with sell-back option on 9 December 2015 which were listed on the Shanghai Stock Exchange. CITIC Real Estate partially redeemed the non-publicly issued corporate bonds at par on 9 December 2018. The remaining RMB1,015,000,000 non-publicly issued corporate bonds were redeemed in whole at par with interests payable on 9 December 2020 (i.e. maturity date of the non-publicly issued corporate bonds).

CITIC Real Estate also issued RMB1,000,000,000 4.4 per cent. non-publicly issued corporate bonds with sell-back option on 15 January 2016 which were listed on the Shanghai Stock Exchange. CITIC Real Estate partially redeemed the non-publicly issued corporate bonds at par on 15 January 2019. The remaining RMB400,000,000 non-publicly issued corporate bonds were redeemed in whole at par with interests payable on 15 January 2021 (i.e. maturity date of the non-publicly issued corporate bonds).

China Overseas Development issued RMB1,000,000,000 3.85 per cent. corporate bonds on 19 November 2015 which were listed on the Shanghai Stock Exchange. On 19 November 2020, China Overseas Development redeemed RMB999,000,000 corporate bonds at 3.85 per cent. The remaining RMB1,000,000 corporate bonds has adjusted its interest rate to 3.20 per cent. since 19 November 2020 and are scheduled to be mature in November 2022. After negotiation with investors, China Overseas Development early redeemed all the remaining corporate bonds at 3.20 per cent. on 17 December 2020.

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 2020 with all the code provisions (except 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 (the "**Listing Rules**") and with some of the recommended best practices contained therein.

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 2020.

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 2020.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

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 preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement.

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

Hong Kong, 29 March 2021

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 of the Company; Mr. Zhuang Yong (Vice Chairman) and Mr. Chang Ying are the non-executive directors of the Company; and Dr. Fan Hsu Lai Tai, Rita, Mr. Li Man Bun, Brian David and Professor Chan Ka Keung, Ceajer 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 2020 Annual Report will also be available at the aforementioned websites and will be despatched to shareholders of the Company thereafter in due course.