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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

1. Contracted property sales of the Group Series of Companies[1] increased by 20.5% to RMB207.21 billion and the corresponding GFA sold was 10.50 million sq m, an increase of 10.0%.

2. Revenue of the Group increased by 21.7% to RMB107.88 billion.

3. Operating profit was RMB31.40 billion. The property development projects maintained their premium gross profit margins in the industry.

4. Profit attributable to equity shareholders of the Company was RMB20.78 billion. Profit attributable to equity shareholders of the Company after deducting RMB1.55 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB19.23 billion, an increase of 10.9%.

5. Basic earnings per share was RMB1.90.

6. The Group acquired 20 land parcels in 14 cities in Mainland China, adding a total GFA of 4.89 million sq m to the land reserve. At 30 June 2021, total land reserve of the Group Series of Companies was 92.24 million sq m.

7. At 30 June 2021, the Group had total debt amounted to RMB228.45 billion; bank balances and cash amounted to RMB117.43 billion; the net gearing of the Group was at an industry-low level of 33.8%.

8. The equity attributable to the shareholders of the Company increased from RMB314.15 billion at the end of 2020 to RMB328.05 billion, an increase of 4.4%. The net assets per share was RMB29.97. The half-year return on equity was 6.5%.

9. The Board declared an interim dividend of HK45 cents per share (2020: HK45 cents per share).

[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 unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2021. The profit attributable to equity shareholders of the Company amounted to RMB20.78 billion. Profit attributable to equity shareholders of the Company after deducting RMB1.55 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB19.23 billion, an increase of 10.9% as compared to the corresponding period last year. Basic earnings per share was RMB1.90. The equity attributable to the shareholders of the Company increased by 4.4% to RMB328.05 billion. Net assets per share was RMB29.97; and half-year return on equity was 6.5%. The Board declared an interim dividend of HK45 cents per share in respect of the six months ended 30 June 2021.

The unaudited consolidated results of the Group for the six months ended 30 June 2021 and the comparative figures for the corresponding period in 2020 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2021	2020
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*3*	**107,879,151**	88,625,398
Direct operating costs		**(77,089,512)**	(61,511,392)
		30,789,639	27,114,006
Other income and gains, net		**2,112,378**	1,609,613
Gain arising from changes in fair value of investment properties		**2,033,220**	5,198,031
Selling and distribution expenses		**(1,871,877)**	(1,294,787)
Administrative expenses		**(1,666,921)**	(1,364,888)
Operating profit		**31,396,439**	31,261,975
Share of profits and losses of			
Associates		**1,315,738**	937,461
Joint ventures		**232,739**	1,604,547
Finance costs	*4*	**(416,866)**	(430,691)
Profit before tax		**32,528,050**	33,373,292
Income tax expenses	*5*	**(10,560,747)**	(10,570,192)
Profit for the period		**21,967,303**	22,803,100
Attributable to:			
Owners of the Company		**20,778,666**	20,526,531
Non-controlling interests		**1,188,637**	2,276,569
		21,967,303	22,803,100
		RMB	*RMB*
EARNINGS PER SHARE	*6*		
Basic and diluted		**1.90**	1.87

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Profit for the period	**21,967,303**	22,803,100
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of subsidiaries of the Company	**(223,833)**	(352,330)
Exchange differences on translation of associates	**77,790**	(98,405)
	(146,043)	(450,735)
Other comprehensive income for the period	**(146,043)**	(450,735)
Total comprehensive income for the period	**21,821,260**	22,352,365
Total comprehensive income attributable to:		
Owners of the Company	**20,632,623**	20,067,979
Non-controlling interests	**1,188,637**	2,284,386
	21,821,260	22,352,365

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2021 *RMB'000* *(Unaudited)*	31 December 2020 *RMB'000* *(Audited)*
Non-current Assets			
Investment properties		**148,633,400**	140,879,089
Property, plant and equipment		**4,991,398**	5,010,803
Interests in associates		**15,775,415**	14,543,727
Interests in joint ventures		**18,937,700**	18,770,162
Other receivables		**388,926**	450,353
Goodwill		**56,395**	56,395
Deferred tax assets		**7,652,064**	7,693,664
		196,435,298	187,404,193
Current Assets			
Stock of properties and other inventories		**451,205,210**	458,087,286
Land development expenditure		**13,171,595**	13,403,278
Trade and other receivables	*8*	**12,906,135**	12,196,646
Contract assets		**1,656,649**	3,102,710
Deposits and prepayments		**32,201,086**	10,497,858
Deposits for land use rights for property development		**4,394,458**	4,198,634
Amounts due from fellow subsidiaries		**112,165**	312,165
Amounts due from associates		**6,057,762**	3,580,280
Amounts due from joint ventures		**8,615,865**	8,744,043
Amounts due from non-controlling shareholders		**3,231,389**	2,699,724
Tax prepaid		**10,925,872**	8,961,644
Bank balances and cash		**117,426,866**	110,468,910
		661,905,052	636,253,178
Current Liabilities			
Trade and other payables	*9*	**79,480,010**	82,807,619
Pre-sales proceeds		**126,788,525**	121,121,893
Dividend payable	*7*	**6,639,453**	-
Amounts due to fellow subsidiaries and a related company		**3,577,173**	2,599,775
Amounts due to associates		**2,096,381**	1,706,459
Amounts due to joint ventures		**4,934,479**	4,197,226
Amounts due to non-controlling shareholders		**6,879,387**	9,337,457
Lease liabilities - due within one year		**260,305**	263,030
Tax liabilities		**36,196,158**	38,123,766
Bank and other borrowings - due within one year		**32,194,430**	27,501,259
Guaranteed notes and corporate bonds - due within one year		**13,033,016**	16,303,716
		312,079,317	303,962,200
Net Current Assets		**349,825,735**	332,290,978
Total Assets Less Current Liabilities		**546,261,033**	519,695,171

	Note	**30 June 2021**	31 December 2020
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Capital and Reserves			
Share capital	*10*	**74,033,624**	74,033,624
Reserves		**254,020,603**	240,112,907
Equity attributable to owners of the Company		**328,054,227**	314,146,531
Non-controlling interests		**13,192,758**	14,202,789
Total Equity		**341,246,985**	328,349,320
Non-current Liabilities			
Bank and other borrowings - due after one year		**116,549,523**	109,307,995
Guaranteed notes and corporate bonds - due after one year		**66,675,561**	59,867,471
Amounts due to non-controlling shareholders		**549,000**	1,542,377
Lease liabilities - due after one year		**301,375**	428,798
Deferred tax liabilities		**20,938,589**	20,199,210
		205,014,048	191,345,851
		546,261,033	519,695,171

Notes:

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed 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 year ended 31 December 2020 included in this announcement of interim results for the six months ended 30 June 2021 as comparative does not constitute the Company's statutory annual consolidated financial statements for that year 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 2020 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements of the Group for that year. 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 report; and did not contain a statement under Sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Application of Revised Hong Kong Financial Reporting Standards ("HKFRSs")

The accounting policies applied are consistent with those of the Group's annual financial statements for the year ended 31 December 2020 as described in those annual financial statements, except for the adoption of amendments effective for the financial year ending 31 December 2021.

In the current interim period, the Group has applied, for the first time, the following amendments issued by the HKICPA which are relevant to the Group:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendments to HKFRS 16	*COVID-19-Related Rent Concessions*

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

The Group has not early adopted the following amendments and improvements to existing standards that have been issued but are not yet effective:

Amendment to HKFRS 16	*COVID-19-Related Rent Concessions beyond 30 June 2021*[1]
Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[3,5]
Annual Improvements to HKFRSs 2018-2020	*Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41*[2]

1 *Effective for annual periods beginning on or after 1 April 2021*
2 *Effective for annual periods beginning on or after 1 January 2022*
3 *Effective for annual periods beginning on or after 1 January 2023*
4 *No mandatory effective date yet determined but available for early adoption*
5 *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 condensed consolidated financial statements.

3. Revenue and results

The Group managed its business units based on their products and services, based on which information is prepared and reported to the Group's management for the purposes of resources allocation and performance assessment. The Group's operating and reportable segments under HKFRS 8 and the types of revenue are as follows:

Property development	-	property development and sales
Property investment	-	property rental
Other operations	-	hotel operation, provision of construction and building design consultancy services and others

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:

Six months ended 30 June 2021 - unaudited

	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	**93,409,330**	**-**	**-**	**93,409,330**
- Recognised over time	**11,601,814**	**-**	**598,550**	**12,200,364**
	105,011,144	**-**	**598,550**	**105,609,694**
Revenue from other sources				
- Rental income	**-**	**2,269,457**	**-**	**2,269,457**
Segment revenue - External	**105,011,144**	**2,269,457**	**598,550**	**107,879,151**
Segment profit (including share of profits and losses of associates and joint ventures)	**27,909,239**	**3,426,032**	**39,093**	**31,374,364**

Six months ended 30 June 2020 - unaudited

	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	74,749,526	-	-	74,749,526
- Recognised over time	11,596,138	-	356,758	11,952,896
	86,345,664	-	356,758	86,702,422
Revenue from other sources				
- Rental income	-	1,922,976	-	1,922,976
Segment revenue - External	86,345,664	1,922,976	356,758	88,625,398
Segment profit (including share of profits and losses of associates and joint ventures)	27,386,299	6,493,906	5,232	33,885,437

Reconciliation of reportable segment profits to the consolidated profit before tax

Segment profit include profit from subsidiaries and share of profits and losses of associates and joint ventures. This represents the profit earned by each segment without allocation of interest income on bank deposits, corporate expenses, finance costs and net foreign exchange gains/(losses) recognised in the condensed consolidated income statement.

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Reportable segment profit	**31,374,364**	33,885,437
Unallocated items:		
Interest income on bank deposits	**742,496**	726,277
Corporate expenses	**(210,003)**	(208,280)
Finance costs	**(416,866)**	(430,691)
Net foreign exchange gains/(losses) recognised in the condensed consolidated income statement	**1,038,059**	(599,451)
Consolidated profit before tax	**32,528,050**	33,373,292

4. Finance costs

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank and other borrowings, guaranteed notes and corporate bonds	**3,788,691**	4,160,858
Interest on amounts due to fellow subsidiaries and a related company, associates, joint ventures and non-controlling shareholders	**158,287**	213,846
Interest on lease liabilities and other finance costs	**85,260**	77,256
Total finance costs	**4,032,238**	4,451,960
Less: Amount capitalised	**(3,615,372)**	(4,021,269)
	416,866	430,691

5. Income tax expenses

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax:		
PRC Corporate Income Tax ("CIT")	**6,338,073**	5,989,009
PRC Land Appreciation Tax ("LAT")	**3,080,759**	2,511,209
PRC withholding income tax	**153,642**	241,842
Hong Kong profits tax	**185,392**	39,128
Macau income tax	**13,392**	-
Others	**8,092**	942
	9,779,350	8,782,130
Over-provision in prior periods:		
Hong Kong profits tax	**-**	(175)
	-	(175)
Deferred tax:		
Current period	**781,397**	1,788,237
Total	**10,560,747**	10,570,192

Under the Law of the People's Republic of China ("PRC") on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of PRC subsidiaries is 25% (2020: 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% (2020: 16.5%) of the estimated assessable profit for the period.

Macau income tax is calculated at the prevailing tax rate of 12% (2020: 12%) in Macau.

6. 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:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	**20,778,666**	20,526,531

	Six months ended 30 June	
	2021	2020
	'000	*'000*
	(Unaudited)	*(Unaudited)*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**10,945,221**	10,956,199

Pursuant the share options granted by the Company, there were dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020, however, the impact on diluted earnings per share is insignificant for both periods.

7. Dividends

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Dividends recognised as distribution during the period		
Final dividend of HK73 cents per share in respect of the financial year ended 31 December 2020 (2020: final dividend of HK57 cents per share in respect of the financial year ended 31 December 2019)	**6,664,221**	5,651,542

The interim dividend of HK45 cents per share in respect of the six months ended 30 June 2021, amounting to approximately RMB4,102,664,000 was declared by the Board. The amount of the interim dividend declared, which was calculated based on the number of ordinary shares in issue at the date of approval of the condensed consolidated financial statements, has not been recognised as a dividend payable in the condensed consolidated financial statements.

8. Trade and other receivables

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

Except for the proceeds from property development and rental income from lease of properties which are receivable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

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

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables, aged		
0 – 30 days	**8,312,481**	7,354,974
31 – 90 days	**336,857**	479,419
Over 90 days	**1,264,479**	1,397,458
	9,913,817	9,231,851
Other receivables – current portion	**2,992,318**	2,964,795
	12,906,135	12,196,646

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. The provision for trade and other receivables was insignificant at the end of the reporting period (31 December 2020: insignificant).

9. 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:

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade payables, aged		
0 – 30 days	**26,059,115**	27,951,928
31 – 90 days	**8,146,459**	6,808,434
Over 90 days	**28,916,988**	29,848,576
	63,122,562	64,608,938
Other payables	**10,173,333**	9,942,188
Retentions payable	**6,184,115**	8,256,493
	79,480,010	82,807,619

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

10. Share capital

	Number of shares		
	'000	***HK$'000***	***RMB'000***
Issued and fully paid			
At 1 January 2020	10,956,201	90,420,438	74,033,624
Shares repurchased (Note)	(416)	–	–
At 30 June 2020	10,955,785	90,420,438	74,033,624
At 1 January 2021	**10,953,185**	**90,420,438**	**74,033,624**
Shares repurchased (Note)	**(8,370)**	**–**	**–**
At 30 June 2021	**10,944,815**	**90,420,438**	**74,033,624**

Note:

During the six months ended 30 June 2021, the Company repurchased a total of 8,370,000 (2020: 416,500) of its shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of RMB109,331,000 (2020: RMB8,939,000) (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. All repurchased shares were cancelled during the period. The total amount paid for the repurchase of the shares has charged to retained profits of the Company.

CHAIRMAN'S STATEMENT

I have pleasure to report to the shareholders the unaudited revenue of the Group for the six months ended 30 June 2021 was RMB107.88 billion, an increase of 21.7% as compared to the corresponding period last year; profit attributable to equity shareholders of the Company was RMB20.78 billion; profit attributable to equity shareholders of the Company after deducting net gains after tax arising from changes in fair value of investment properties amounted to RMB19.23 billion, an increase of 10.9% as compared to the corresponding period last year; basic earnings per share was RMB1.90; equity attributable to the shareholders of the Company increased to RMB328.05 billion; net assets per share was RMB29.97; and half-year return on equity was 6.5%. The Board declared an interim dividend of HK45 cents per share in respect of the six months ended 30 June 2021.

In the first half of 2021, the take-up rate of COVID-19 vaccination continued to rise, and the global economy rebounded rapidly, with the accelerating growth of Mainland China's economic recovery particularly noteworthy. However, unforeseen concerns regarding economic growth also arose. International political and economic conflicts, the regression of the pandemic situation caused by COVID variants, and the negative effects of global liquidity spillover caused by the US dollar surplus together indicate increasing economic uncertainty ahead.

The domestic real estate regulations have been leading the real estate market through profound change. Based on the principle of "houses are for habitation, not speculation", a series of policy measures have been introduced, including "three red lines" for real estate developers, "two red lines" for commercial banks' real estate loans, and the "two centralised" land supply policy.

As Peter Drucker once stated, change itself is less important than the trend of change or the change of trend, which helps us predict the future.

The foreseeable future is coming into focus: policies and markets will maximise the room for development for well financed enterprises that pursue business logic, which will further accelerate the industry realignment.

As at 30 June 2021, the Group's liability to asset ratio was 60.2%, with net gearing of 33.8%. It did not breach any of the "three red lines" and maintained its qualification as a "green category" enterprise. During the period, the Group's weighted average borrowing cost was 3.6%, among the lowest in the industry.

During the period, the Group Series of Companies achieved contracted sales of RMB207.21 billion, an increase of 20.5% as compared to corresponding period last year; acquired 49 land parcels with total land premium of RMB77.81 billion and a corresponding newly added saleable resources amounted to RMB174.64 billion. Among which, the Group acquired 20 land parcels with total land premium of RMB51.30 billion and a corresponding newly added saleable resources amounted to RMB110.49 billion. Under the new "two centralised" land supply policy, competition in the open bidding, auction and listing land market became overheated. In the first half of the year, the Group rationally controlled its investment rhythm, pursuing only quality investments proportionate to strategic need, further strengthened promotion of the "blue ocean strategy", introduced new investment models, and successfully secured a batch of mega-sized projects including Suzhou Zhongtai Project, Suzhou Super Skyscraper Project and Changchun Runde Project. The Group has sufficient financial strength to acquire more quality land parcels in the second half of the year.

The diversified growth of the Group will drive the business momentum. During the period, the Group's revenue from commercial properties reached RMB2.50 billion, an increase of 23.3% as compared to the corresponding period last year. In 2021, the Group Series of Companies' commercial projects will usher in a wave of market peaks. In the first half of the year, six projects including Ningbo China Overseas building, Beijing China Overseas Fortune Centre have commenced operations. In the second half of the year, 15 commercial projects are due to reach market, encompassing office buildings, shopping malls, hotels, long-term leased apartments, logistics parks and other commercial business. New commercial GFA with approximately 1.01 million sq m is expected to be added during the year, an increase of 20.7% as compared with the total GFA in operation at the end of 2020.

During the period, the Group's related diversified businesses, upstream and downstream of real estate development, achieved promising business growth, including Hua Yi Design, Lingchao Supply Chain Management Company, Haizhichuang Technology Company Limited.

The Group launched One Victoria in Hong Kong in July 2021 with a total of 686 residential units put up for sale. Up to the date of this announcement, total sales of 504 residential units amounted to HK$5.78 billion with an average selling price of HK$25,000 per sq ft. The Group stays confidence in the Hong Kong property market and will further increase investment.

The Mainland China property market has recently faced a series of policy adjustments. The Group recognises that these policies all support the principle of "houses are for habitation, not speculation", aiming to stabilise land prices, housing prices and expectation, as well as to facilitate the steady and healthy growth of the real estate market. It is predicted that real estate financing will continue to tighten. Growth in commodity housing sales is expected to decelerate during the second half of the year, while total sales for the year maintain steady growth.

Industry realignment in response to such alarm bells is seeing property developers revert to a development model based on steady operations and meticulous management, which has always been the Group's business approach. The Group will continue to pursue steady and prudent financial strategies, adhering to the "cash is king" principle, expediting turnover, consolidating the advantages in cost control, strengthening digital lean management, and maintaining industry leading profitability. Meanwhile, with abundant capital, the Group will seize opportunities emerging from industry realignment to capture more market share.

I would like to take this opportunity to express my heartfelt gratitude to my fellow 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

During the period, the revenue of the Group was RMB107.88 billion, an increase of 21.7% as compared to the corresponding period last year. The operating profit was RMB31.40 billion. The gross profit margin was 28.5% and the net profit margin reached 19.3%, which remained at an outstanding level in the industry. The ratio of selling, distribution and administrative expenses to revenue was 3.3%, which remained one of the lowest in the industry. Profit attributable to equity shareholders of the Company amounted to RMB20.78 billion. Profit attributable to equity shareholders of the Company after deducting RMB1.55 billion in net gains after tax arising from changes in fair value of investment properties, amounted to RMB19.23 billion, an increase of 10.9% as compared to the corresponding period last year. The half-year return on equity was 6.5%. Basic earnings per share was RMB1.90.

Property Development

During the period, the Group's revenue from property development was RMB105.01 billion, an increase of 21.6% as compared to the corresponding period last year. The property development projects maintained their premium gross profit margin in the industry.

During the period, the net profit contribution from associates and joint ventures amounted to RMB1.55 billion. The major associate, China Overseas Grand Oceans Group Limited ("COGO"), recorded contracted property sales of RMB43.29 billion, revenue of RMB25.74 billion, and profit attributable to equity shareholders of RMB2.70 billion.

During the period, the Group Series of Companies (excluding COGO) completed a total project area of 7.32 million sq m in 31 cities in Mainland China.

The table below shows the area of projects completed by region in the first half of 2021:

City	Total Area ('000 sq m)
Hua Nan Region	
Foshan	297
Xiamen	229
Changsha	147
Dongguan	127
Shenzhen	113
Guangzhou	105
Zhuhai	35
Fuzhou	12
Hainan	9
Sub-total	**1,074**
Hua Dong Region	
Wuxi	305
Suzhou	247
Shanghai	182
Hangzhou	91
Nanjing	89
Nanchang	64
Sub-total	**978**
Hua Bei Region	
Jinan	902
Beijing	489
Tianjin	272
Wuhan	240
Zhengzhou	195
Taiyuan	93
Sub-total	**2,191**
Northern Region	
Changchun	767
Dalian	495
Shenyang	485
Harbin	289
Yantai	91
Sub-total	**2,127**
Western Region	
Chengdu	502
Kunming	219
Xi'an	101
Xinjiang	84
Chongqing	44
Sub-total	**950**
Total	**7,320**

During the period, the Group acquired 20 land parcels in 14 cities in Mainland China, adding a total GFA of 4.89 million sq m to the land reserve (attributable interest of 4.46 million sq m). The total land premium was RMB51.30 billion (attributable interest of RMB45.80 billion).

The table below shows the details of land parcels added in the first half of 2021:

City	**Name of Development Project**	**Attributable Interest**	**Land Area ('000 sq m)**	**Total GFA ('000 sq m)**
Changchun	Luyuan District Project #1	100%	220	588
Beijing	Shijingshan District Project	100%	14	57
Suzhou	Industrial Park District Project #1	100%	32	74
Guangzhou	Haizhu District Project	100%	8	63
Fuzhou	Jin'an District Project	100%	62	165
Suzhou	Industrial Park District Project #2	100%	20	413
Dongguan	Dalang Town Project	100%	78	249
Zhengzhou	Zhengdong New District Project	100%	80	235
Chongqing	Yubei District Project	100%	9	38
Xiamen	Siming District Project	50%	54	265
Tianjin	Hebei District Project	100%	86	252
Jinan	Shizhong District Project	100%	158	526
Nanjing	Yuhuatai District Project	100%	41	167
Suzhou	Wujiang District Project	44%	60	266
Xiamen	Tong'an District Project #1	100%	36	117
Xiamen	Tong'an District Project #2	100%	91	360
Haikou	Qiongshan District Project	100%	15	78
Foshan	Nanhai District Project	100%	55	242
Foshan	Shunde District Project	100%	98	428
Changchun	Luyuan District Project #2	50%	101	311
Total			**1,318**	**4,894**

At 30 June 2021, the Group Series of Companies (excluding COGO) had a total land reserve of 59.40 million sq m (attributable interest of 49.85 million sq m).

During the period, the major associate COGO increased its land reserve by 6.04 million sq m. At 30 June 2021, COGO's total land reserve was 32.84 million sq m (attributable interest of 28.92 million sq m).

The total land reserve of the Group Series of Companies reached 92.24 million sq m.

Property Investment

Rental income from the Group's investment properties for the period amounted to RMB2.27 billion, an increase of 18.0% as compared to the corresponding period last year, of which rental income from office buildings amounted to RMB1.74 billion, an increase of 14.0% as compared to the corresponding period last year; rental income from shopping malls amounted to RMB520 million, an increase of 31.0% as compared to the corresponding period last year.

The gain arising from changes in fair value of investment properties amounted to RMB2.03 billion, a decrease of 60.9% as compared to the corresponding period last year. The net gains after tax attributable to equity shareholders of the Company amounted to RMB1.55 billion, a decrease of 51.3% as compared to the corresponding period last year.

Other Operations

During the period, revenue from other operations amounted to RMB600 million, an increase of 67.8% as compared to the corresponding period last year, of which income from hotels and other commercial properties was RMB230 million, an increase of 123.0% as compared to the corresponding period last year.

Liquidity, Financial Resources and Debt Structure

In the first half of 2021, Mainland China's economy continued to stabilise and improve. On 15 July, the People's Bank of China lowered the reserve requirement again, maintaining the stability and effectiveness of the policy. The COVID-19 pandemic is resurging in parts of Europe and North America, inflation is growing and financial market volatility risk continues. During the period, 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. According to the "three red lines" real estate financial supervision policy in Mainland China, the Group did not breach any of the red lines and remained as a "green category" enterprise.

The overall financial position of the Group was satisfactory. At 30 June 2021, the net current assets were RMB349.83 billion, the current ratio was 2.1 times, interest coverage ratio was 7.9 times and the weighted average borrowing cost was 3.6%, which were at an outstanding level in the industry.

The Group continues to leverage the advantages of onshore and offshore dual financing platforms, flexibly use multiple tools, and optimally apply various financing combinations. During the period, the Group issued a total of RMB7.6 billion of onshore bonds, composed of the successful issuance of RMB3.1 billion of 18-year commercial mortgage-backed securities products, of which RMB2.1 billion was the first-ever domestic property developer green carbon neutrality bonds with lowest issuance interest rate among similar products in the period; RMB3.0 billion of corporate bonds; and RMB1.5 billion of medium-term notes. The Group also seized opportunities in the market and signed a number of new bilateral loan agreements onshore and offshore, enhanced its debt portfolio, implemented the flexible financing principle and supplemented operating capital.

During the period, the Group raised fund from onshore and offshore debt financing amounted to RMB38.59 billion. Total repayment of matured debt amounted to RMB21.67 billion. Sales proceeds collection increased by 31.4% to RMB121.88 billion. Total capital expenditure payments for the Group were RMB80.94 billion (of which RMB46.22 billion for land cost and RMB34.72 billion for construction expenditure). About RMB25.27 billion was paid for taxes, selling and distribution expenses, administrative expenses and finance costs. At the end of June 2021, unpaid land premium of the Group was RMB22.95 billion while bank and other borrowings, and guaranteed notes and corporate bonds due to mature in the second half of the year amounted to RMB31.85 billion.

At 30 June 2021, the Group had bank and other borrowings amounted to RMB148.74 billion while guaranteed notes and corporate bonds amounted to RMB79.71 billion. Thus total debt amounted to RMB228.45 billion, of which RMB45.23 billion will be matured within a year, accounting for 19.8% of total debt. Among the total debt, 23.8% was denominated in Hong Kong dollars, 18.1% was denominated in US dollars, 57.3% was denominated in Renminbi and 0.8% was denominated in Pounds Sterling. The fixed-rate debt accounted for 42.7% of total interest-bearing debt while the remaining were floating-rate debt.

At 30 June 2021, the Group's available funds amounted to RMB170.49 billion comprising bank balances and cash of RMB117.43 billion (of which 6.5% was denominated in Hong Kong dollars, 2.3% was denominated in US dollars, 90.9% was denominated in Renminbi, 0.2% was denominated in Pounds Sterling and a small amount was denominated in other currencies, while the above bank balances and cash also included the regulated pre-sales proceeds of properties RMB18.36 billion) and unused banking facilities of RMB53.06 billion.

In the first half of 2021, the global economy improved and policies remained stable, despite the COVID-19 pandemic was not completely under control. While Mainland China sustained the trend of rapid economic growth, interest rates and the exchange rate continued to fluctuate under the influence of relapsed global pandemic and uneven economic recovery. The RMB exchange rate against the US dollar has maintained the characteristics of two-way fluctuation. 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

Since the Group established being "a Company of Four Excellences (四好公司)" as its sustainable development strategic framework in 2019, it is steadily marching towards new milestones in sustainable development. The Group regularly reviews and evaluates its own sustainability performance and national policy, industry trends and the latest expectations of the capital market, so as to fulfill our commitment to building a healthy and sustainable community for future generations. In the first half of 2021, the Group achieved great results in the fields of environmental protection, corporate governance, and improving disclosure transparency.

During the period, the Group in its 2020 ESG report added the reference to SASB standards (Sustainability Accounting Standards Board Standards) to strengthen the disclosure of qualitative and quantitative indicators that meet the characteristics of the industry, as well as the reference to the TCFD (Task Force on Climate-Related Financial Disclosure) recommendations for the disclosure of climate change management work. Furthermore, the Group established a Corporate Governance Committee under the board of directors to determine the terms of reference of the board of directors and related committees, to integrate climate change into governance responsibilities, and to clarify management responsibilities related to climate change.

During the period, the Group added 48 green building certification projects with a total GFA of 8.01 million sq m. Cumulatively the Group has delivered 439 green building-certified projects with a total GFA of 80.80 million sq m. In early 2021, the Group obtained its first national three-star green building label which was issued to Blocks 1 and 2 of The U World (B03-2 project), Chongqing.

In the future, we will respond actively to the national initiative, "achieving carbon neutrality by 2060", with increased efforts on sustainable development. We will also track the progress of various targets, review and report the progress internally and externally. As we continue to incorporate environmental, social and governance risks and opportunities into business strategy and operation, we strive towards our strategic goal "to be an Exceptional Global Property Development Corporation".

The Group insists on putting people first and regards human resources as its most valuable resource. The Group determined the remuneration package and discretionary bonus of the employees according to their performance, experience and the market wage rate. The Group also provides other employee benefits include provident fund scheme, medical protection, insurance and housing allowance. Guided by the annual key tasks, the Group optimised the three-tier KPI structure to cover all employees, and launched a management, administration, professionals, and sales (MAPS) structure that distinguishes position, job and level to broaden the career development paths of employees. The Group also provided training for employees to facilitate growth and development, and launched share options incentive schemes for senior management and core technical personnel. The share options schemes were open to the directors of the Company, senior management, and management and core technical personnel of the Group who directly contributed to the business performances and development of the Group.

In the first half of 2021, the Group launched four series of training programmes, namely, "Leading Lectures", "Golden Lectures", "Team Workshop" and "COLI Library". These four programmes effectively energised employees, broadened their management and business horizons, and facilitated their growth and development.

During the period, the Group continued to facilitate rural revitalisation in three counties in Gansu Province with a focus on Zhuoni County, assisting in selection of native agricultural product and creating a quinoa brand, "Vale of Clouds", by cooperating with local government. The Group participated in the whole process of brand creation including trademark registration, production, quality control, online and offline promotion of the product.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board declared the payment of an interim dividend of HK45 cents per share (2020: HK45 cents per share) for the six months ended 30 June 2021. The interim dividend will be payable in cash.

Relevant Dates for Interim Dividend Payment

Ex-dividend date	16 September 2021
Latest time to lodge transfer documents for registration with the Company's registrar and transfer office	At 4:30 p.m. on 17 September 2021
Closure of Register of Members	20 September 2021
Record date	20 September 2021
Despatch of dividend warrants	5 October 2021

In order to qualify for the interim 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.

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

Buy-back of Shares

During the six months ended 30 June 2021, the Company repurchased a total of 8,370,000 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$130,912,752. Such repurchased Shares were cancelled during the period. The repurchases of Shares were effected as the Board considered the prevailing trading price of the Shares was at a level which undervalued the Company's performance, assets value and business prospects. The repurchases of Shares demonstrated the Board's confidence in the Company and would only be conducted under circumstance which the Board considered to be appropriate and in the interest of the Company and its shareholders as a whole.

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

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

Issue of Listed Securities

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

(i) 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.

(ii) On 15 June 2021, RMB2,000,000,000 3.25 per cent. corporate bonds due June 2024 and RMB1,000,000,000 3.55 per cent. corporate bonds due June 2026 were 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 12 July 2021, RMB1,000,000,000 3.10 per cent. corporate bonds due July 2025 and RMB2,000,000,000 3.25 per cent. corporate bonds due July 2025 were 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.

(iv) On 9 August 2021, RMB500,000,000 2.75 per cent. corporate bonds due August 2025 and RMB1,500,000,000 3.25 per cent. corporate bonds due August 2028 were 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.

Beijing China Overseas Plaza Commercial Development Ltd.* ("**Beijing China Overseas Plaza**"), a wholly-owned subsidiary of the Company, issued the following securities during the period and up to the date of this announcement:

(i) On 23 March 2021, RMB1,001,000,000 commercial mortgage-backed securities due March 2039 was issued, which includes preferred class securities of RMB1,000,000,000 3.85 per cent. and equity class securities of RMB1,000,000 (Beijing China Overseas Plaza subscribed for all equity class securities). The net proceeds, after deducting the expenses in connection with the issue of the commercial mortgage-backed securities, are used to repay the indebtedness of the Group and finance general working capital. The commercial mortgage-backed securities are issued on the Shenzhen Stock Exchange.

(ii) On 23 June 2021, RMB2,101,000,000 green commercial mortgage-backed securities (carbon neutrality) due June 2039 was issued, which includes preferred class securities of RMB2,100,000,000 3.60 per cent. and equity class securities of RMB1,000,000 (Beijing China Overseas Plaza subscribed for all equity class securities). The net proceeds, after deducting the expenses in connection with the issue of the commercial mortgage-backed securities, are used to repay the indebtedness of the Group and finance general working capital. The commercial mortgage-backed securities are issued on the Shenzhen Stock Exchange.

Redemption of Listed Securities

CITIC Real Estate Group Company Limited* ("**CITIC Real Estate**"), a wholly-owned subsidiary of the Company, issued RMB1,000,000,000 4.40 per cent. non-publicly issued corporate bonds with sell-back option on 15 January 2016 which were issued 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 RMB3,000,000,000 5.60 per cent. medium term notes on 5 February 2018 which were issued in the interbank market of the PRC. The medium term notes were repaid in whole at par with interests payable on 6 February 2021 (i.e. maturity date of the medium term notes).

China Overseas Development issued RMB6,000,000,000 3.10 per cent. corporate bonds with sell-back option on 23 August 2016 which were listed on the Shanghai Stock Exchange. On 19 July 2021, China Overseas Development partially redeemed the corporate bonds at par. 4,129,300 lots of valid sell-back declarations were received with a total sell-back amount of RMB4,129,300,000. The interest rate of the remaining corporate bonds has adjusted to 3.60 per cent. with effect from 23 August 2021 and are scheduled to be mature in August 2026.

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2021 and up to the date of this announcement.

* *English translation for identification purpose only*

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30 June 2021 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 ("**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 six months ended 30 June 2021.

REVIEW OF INTERIM REPORT BY AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has reviewed the unaudited interim results of the Company for the six months ended 30 June 2021, and discussed with the Company's management regarding risk management, internal control and other important matters.

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

Hong Kong, 23 August 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 interim 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 2021 Interim Report will also be available at the aforementioned websites and will be despatched to shareholders of the Company thereafter in due course.*