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## **FINANCIAL AND BUSINESS REVIEW FOR THE THIRD QUARTER OF 2021**

The following description provides certain unaudited financial data relating to the operating performance of China Overseas Grand Oceans Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) in the third quarter of 2021.

### **Financial Performance**

For the nine months ended 30 September 2021, the Group’s revenue was approximately RMB37,377 million, representing an increase of 33.1% comparing with the same period last year, while the operating profit was approximately RMB7,315 million, representing an increase of 6.7% comparing with the same period last year. The revenue and operating profit of the Group for the third quarter of 2021 were approximately RMB11,639 million and RMB2,204 million respectively.

### **Business Review**

In the third quarter of 2021, total contracted property sales of the Group and its associates and joint ventures reached approximately RMB12,744 million for an aggregated contracted area of approximately 1,223,200 sq.m.. For the nine months ended 30 September 2021, the accumulated contracted property sales amounted to approximately RMB56,031 million for an aggregated contracted area of approximately 4,408,700 sq.m., representing an increase of 25.6% and 18.2% respectively. Also, as at 30 September 2021, the balance of preliminary sales pending the completion of sales and purchase agreements was approximately RMB1,265 million for an aggregated area of approximately 98,500 sq.m..

During this quarter, the Group newly entered into Chuzhou, Anhui Province, and together with the land acquired in eleven other cities, it totally added thirteen parcels of land in total with an attributable gross floor area of approximately 2,071,900 sq.m. for attributable land costs of approximately RMB11,411 million.

In addition, during this quarter, regarding the land project in Lushan Xihai, Jiujiang, of which the Group holds 100% equity interest for future development (the “Project”), the project company of the Group received a notice from the relevant local government authorities. The notice stated that the content of development plan of the Project is re-adjusted and clarified in accordance with the requirements of the law and regulations of 5A-level tourist attractions and the ecological and environmental protection policies. Such adjustment is mainly on the gross floor area available for development, which is adjusted from approximately 1,887,900 sq.m. to approximately 656,300 sq.m.. There is no change in the land area of the Project. The management has performed an evaluation on the carrying amount of the Project during this quarter and made a provision for

impairment for inventories of properties of the Project. The provision for impairment of the Project has reduced the operating profit for the third quarter of 2021 by approximately RMB245 million. It is expected to reduce the profit after tax for the year ending 31 December 2021 by approximately RMB154 million. The provision for impairment of the Project was made with reference to the new development plan reformulated based on the information currently available for the management and the valuation by an independent professional valuer. The provision for impairment of the Project has not been confirmed or audited by the auditors of the Company.

Other than the aforesaid Project, progress for other development projects was satisfactory.

As at 30 September 2021, after the adjustment on gross floor area of the aforesaid Project, the Group and its associates and joint ventures together have a total landbank of gross floor area of approximately 32.1 million sq.m. (of which, approximately 27.5 million sq.m. are attributable to the Group, including the interests in associates and joint ventures) in the PRC.

Facing the stringent regulatory environment and volatile financial and capital market, the Group maintains professional and prudent financial management of the financial resources and will continue to enhance its financial management capability. Financial returns and cash collection status of property projects will be tracked closely to ensure the progress is in line with the business plan. The Group will also keep eye on the impacts from the external political and economic environment, volatility of exchange rate of Renminbi, and national policy changes to the business operations in order to maximize its shareholders' returns in the long term.

## **General**

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

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Accordingly, figures and discussions contained in this announcement should in no way be regarded as to provide any indication or assurance on the financial results of the Group for the nine months ended 30 September 2021.

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

By order of the Board of Directors  
**China Overseas Grand Oceans Group Limited**  
**Zhuang Yong**  
*Chairman and Executive Director*

Hong Kong, 15 October 2021

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

*The review for the third quarter of 2021 is published on the Company's website (<http://www.cogogl.com.hk>), the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the website of EQS TodayIR Ltd (<http://www.todayir.com/en/showcases.php?code=81>).*