



中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.



2018

INTERIM RESULTS INVESTOR PRESENTATION

Aug 2018

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中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

2018 Interim Results

2018 Interim Results Highlights

Faster sales growth and ideal cash collection

Sales amount
HK\$ 150.85b ↑ 18.5 %

Cash collection
HK\$ 134.12b ↑ 16.8 %

Maintained industry leadership in value creation

Profit attributable to equity shareholders
HK\$ 23.22b ↑ 7.2 %

Gross profit margin
35.8% ↑ 5.3 pts

Net profit margin
26.2 % ↑ 1.4 pts

Sufficient financial resources, healthy and stable

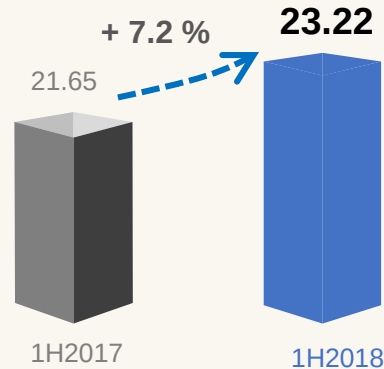
Cash
HK\$ 127.93b ↑ 23.0%

Net gearing
28.1 % Industrial low level

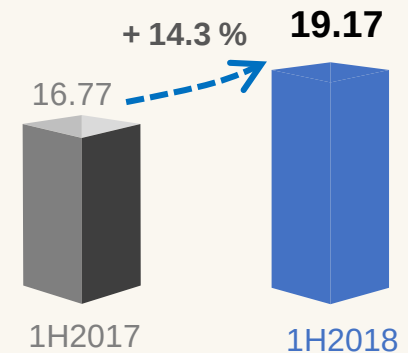
Stable profit growth

- Profit attributable to equity shareholders was HK\$ 23.22b, +7.2% YoY
- Core profit was HK\$ 19.17b, +14.3% YoY

Profit attributable to equity shareholders (HK\$ b)



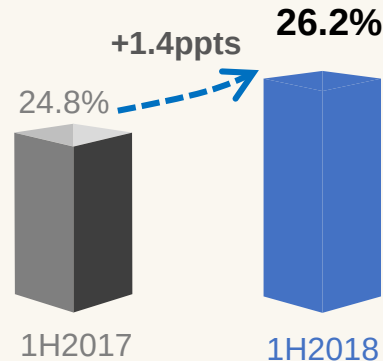
Core profit¹ (HK\$ b)



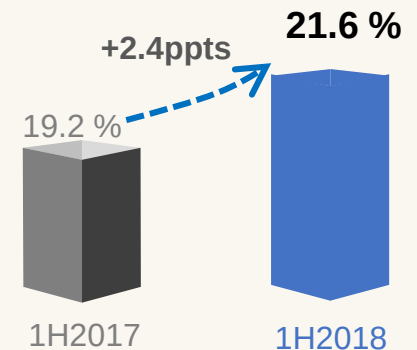
Maintained industry leadership in profitability

- Net profit margin was 26.2%, + 1.4 ppts YoY
- Core profit margin was 21.6%, + 2.4 ppts YoY

Net profit margin



Core profit margin

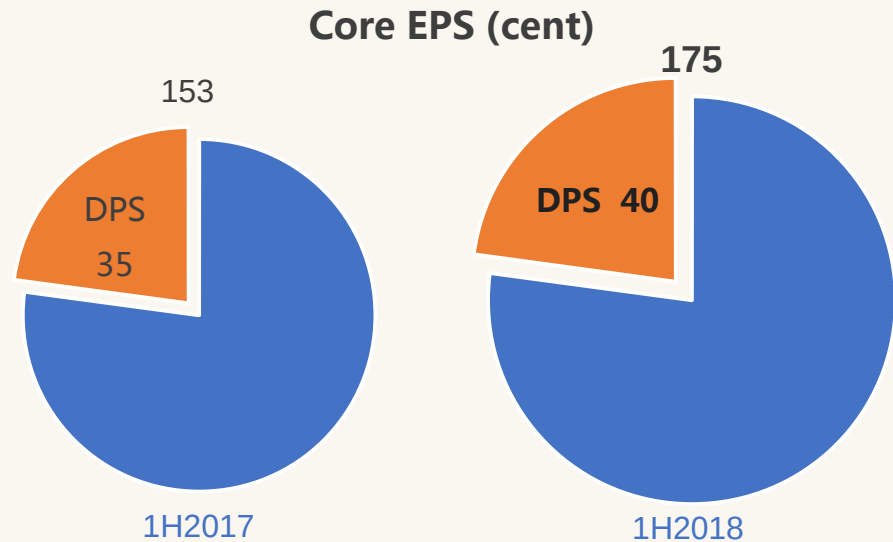


¹The attributable profit excludes after-tax fair value gain of investment properties and fair value gain from acquisition of a JV

Industry-leading Value Creation

Constantly created value for shareholders

- Core EPS¹ was HK175¢, +14.3% YoY
- Interim DPS was HK40¢, +14.3% YoY



Total assets and shareholders' equity increased

- Total assets increased by 10.9% to HK\$ 715.84 b
- Shareholders' equity and net asset value per share increased by 3.8% to HK275.88b and HK\$ 25.18 respectively

¹The attributable profit excludes after-tax fair value gain of investment properties and fair value gain from acquisition of JV

Sound Financial Situation

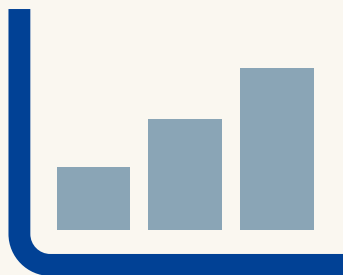
Adhered to prudent financial policies with sufficient cash and reasonable debt

+23.0%

HK\$127.93b

Cash

- At 30 June 2018, bank balance and cash increased by 23.0% to HK\$127.93b compared to year end 2017, at an industry leading level and in great position to seize market opportunities
- At 30 June 2018, the asset-liability ratio was 59.96%, and the net gearing was 28.1%, at a low level in industry.



Net gearing
28.1%



Asset-liability ratio
59.96%



Reasonable Debt Structure

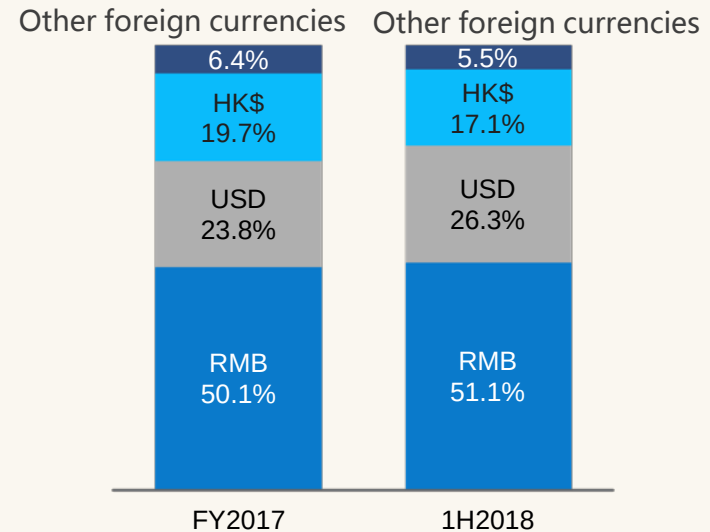
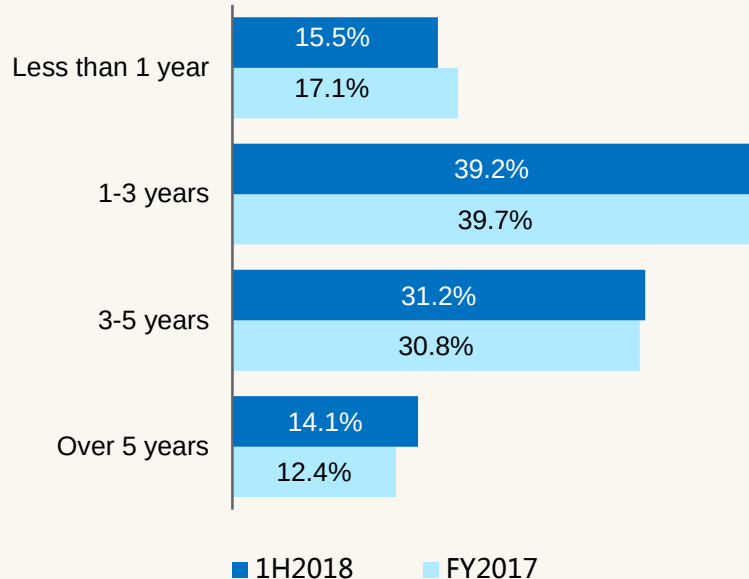
Debt structure was further optimized, maturity profile and currency structure were healthy and reasonable

15.5%

Low level of debt within 1-year maturity, low repayment pressure

51.1%

Stable RMB debt ratio, reasonable currency structure



Leading Financing Advantages

Kept lowest financing cost in the industry

4.27%

Quality blue chip company

Excellent corporate governance and risk management, recognized by capital markets and financial institutions

Credit rating

Highest ratings in the industry
The only A- rating in industry

 FitchRatings
KNOW YOUR RISK

惠誉A- / 稳定

 MOODY'S
INVESTORS SERVICE

穆迪Baa1 / 稳定

 STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

标准普尔BBB+ / 稳定

Various channels

Domestic and overseas dual financing platforms, flexibly using multiple channels and financing tools

Hong Kong & Macau business

Originated in Hong Kong with nearly 40 years of local development experience, continuously kept a stable and large scale of local business



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Business and Management Review



The Group Series of Companies Contracted Sales

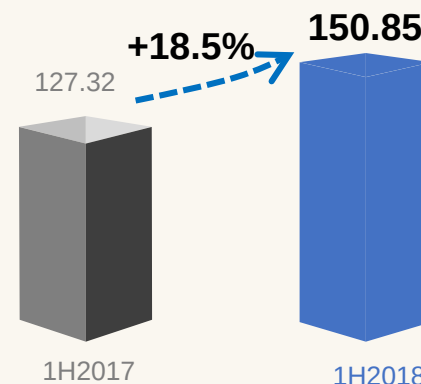
- Value and Cash Collection

Contracted sales and average price continued to increase, and cash collection rate stayed at a high level

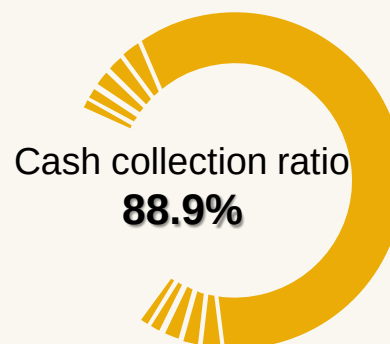
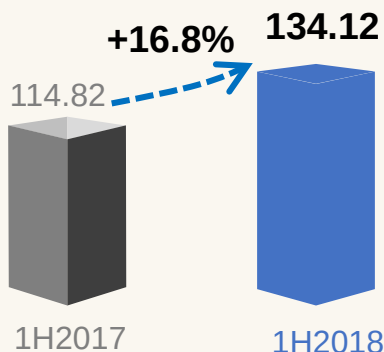
- For 1H2018, the contracted sales increased by 18.5% to HK\$150.85b, cash collection increased by 16.8% to HK\$134.12b, and cash collection ratio maintained at a higher level of 88.9%.
- In the first half year, the average sales price increased by 9.1% YoY to HK\$17,813/sq m; the group series of companies (excluding COGO) average sales price increased by 9.8% YoY to HK\$19,725 sq m.
- For the first 7 months in 2018, contracted sales increased by **20.6%** YoY to **HK\$173.89b**.

The group series of companies contracted sales (HK\$b)

Avg. price: HK\$ 16,329 sq m HK\$ 17,813 sq m



Sales cash collection (HK\$b)



Focused on cash collection

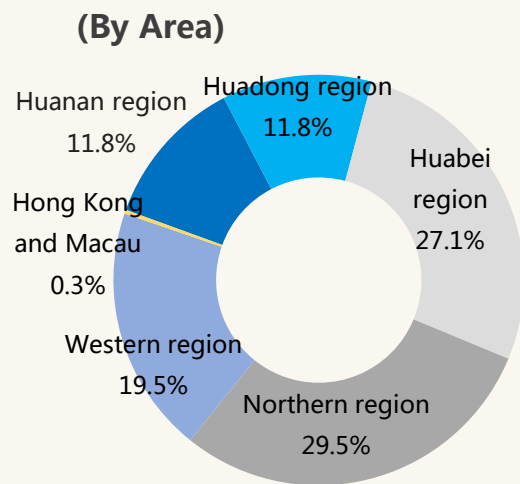
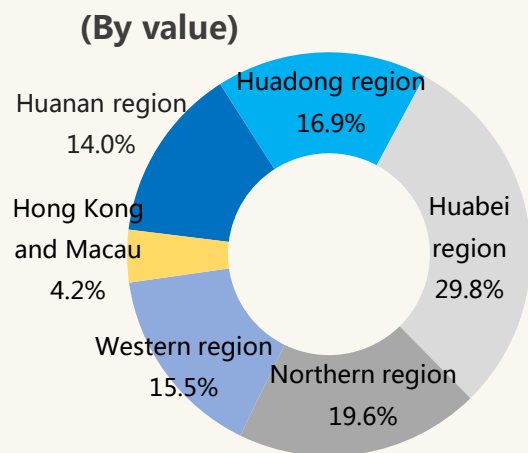
Contract center: unified management

Bank: HQ to HQ + fixed-point promotion

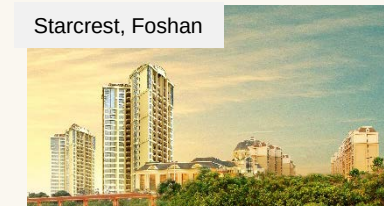
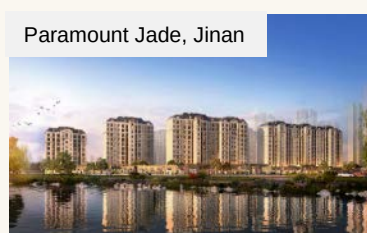
The Group Contracted Sales - Value and Area

Balance distribution of regional sales, maintaining reasonable and steady growth

Contracted Sales Breakdown in 1H2018



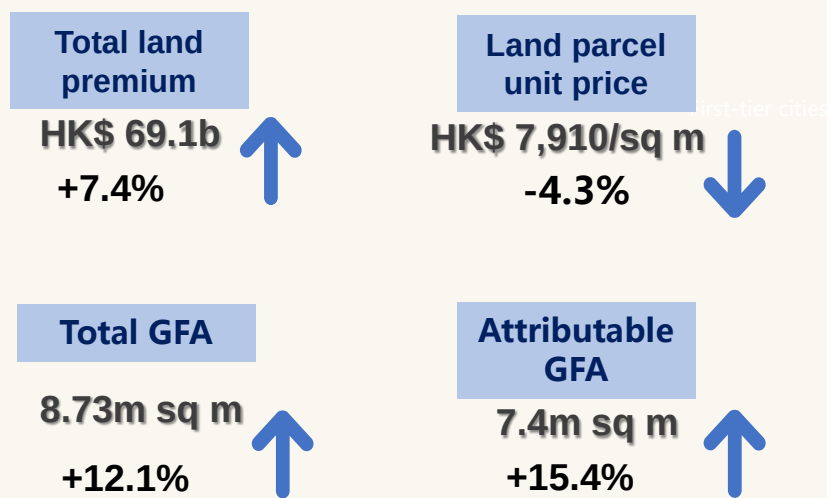
The main sales projects in 1H2018



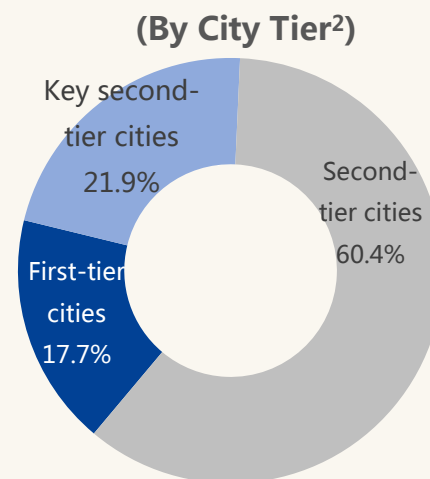
Insisted on investing in mainstream cities and locations

- From Jan to July 2018, the Group acquired 32 land parcels, adding total GFA of 8.733m sq m(+12.1% YoY), attributable GFA 7.404m sq m (+15.4% YoY)
- Total land premium for new land acquisition was HK\$69.08b¹ (+7.4% YoY), attributable land premium HK\$55.5b¹ (+15.6% YoY)

Newly acquired land in first 7 months of 2018 (YoY)



Total land acquisition GFA breakdown

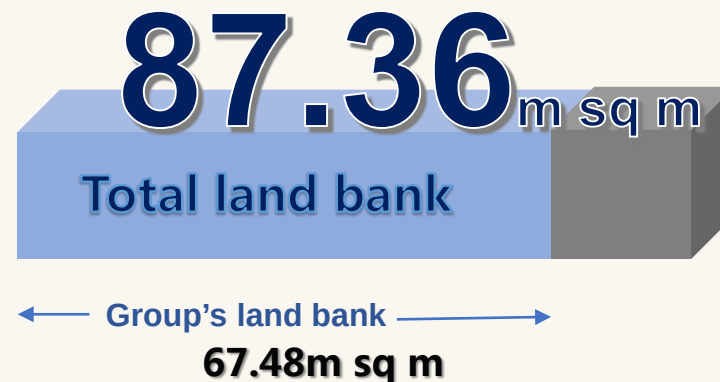


¹HKD to RMB conversion rate in 2017: 0.88, in 2018: 0.81

²First-tier cities include Beijing, Shanghai, Guangzhou, Shenzhen; key second-tier cities include: Chengdu, Chongqing, Hangzhou, Nanjing, Wuhan, Tianjin, Xi'an, Xiamen, Suzhou, Zhengzhou; other cities are second-tier cities. See Appendix for details. The same applies to below.

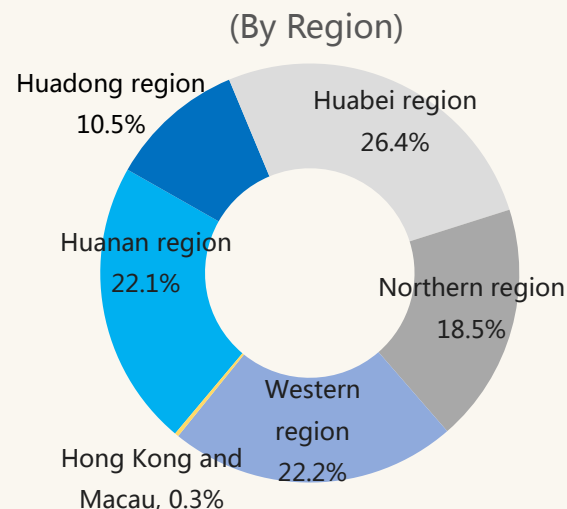
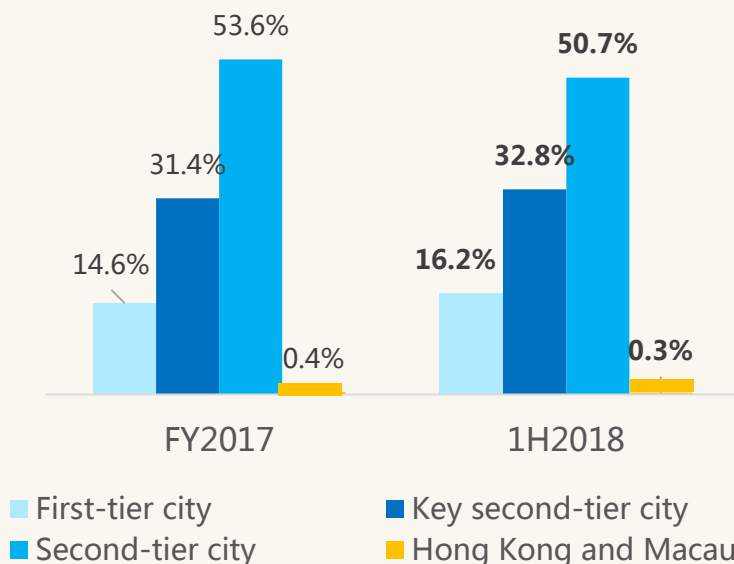
Quality land bank expansion to ensure sustainable development

- As of end of June 2018, the Group Series of Companies land bank was 87.36m sq m
- The Group Series of Companies (excluding COGO) total land bank was 67.48m sq m, attributable interest 84%



Land bank structure was good and balanced

1H2018 Total land bank structure of the Group Series of Companies(excluding COGO)



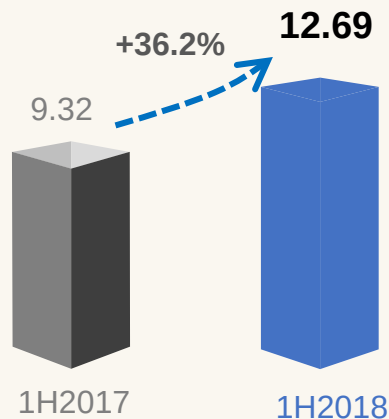
Significant Uptick in Construction Commencement and GFA under Construction

The Group Series of Companies created new records in GFA of construction commencement and GFA under construction, further adding marketable resources and maintaining impetus for sustainable development.

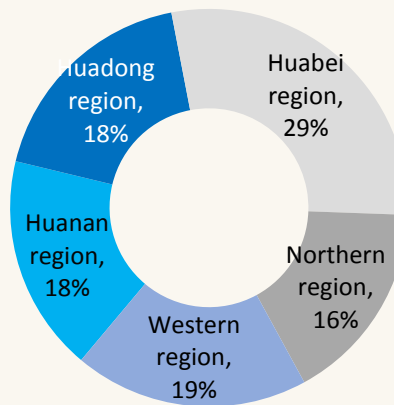
- For 1H2018, the group series of companies commenced construction was 15.97m sq m (+43% YoY); excluding COGO, construction commencement was 12.69m sq m(+ 36.2% YoY)
- For 1H2018, the group series of companies GFA under construction was 44.56m sq m (+56% YoY); excluding COGO, GFA under construction was 34.75 m sq m (+66.6% YoY).



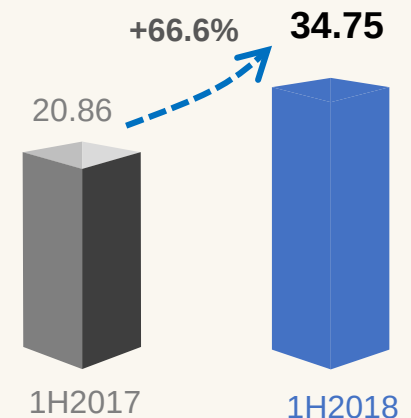
GFA of construction commencement (m sq m)¹



Details of GFA of construction commencement in 1H2018



GFA under construction (m sq m)¹

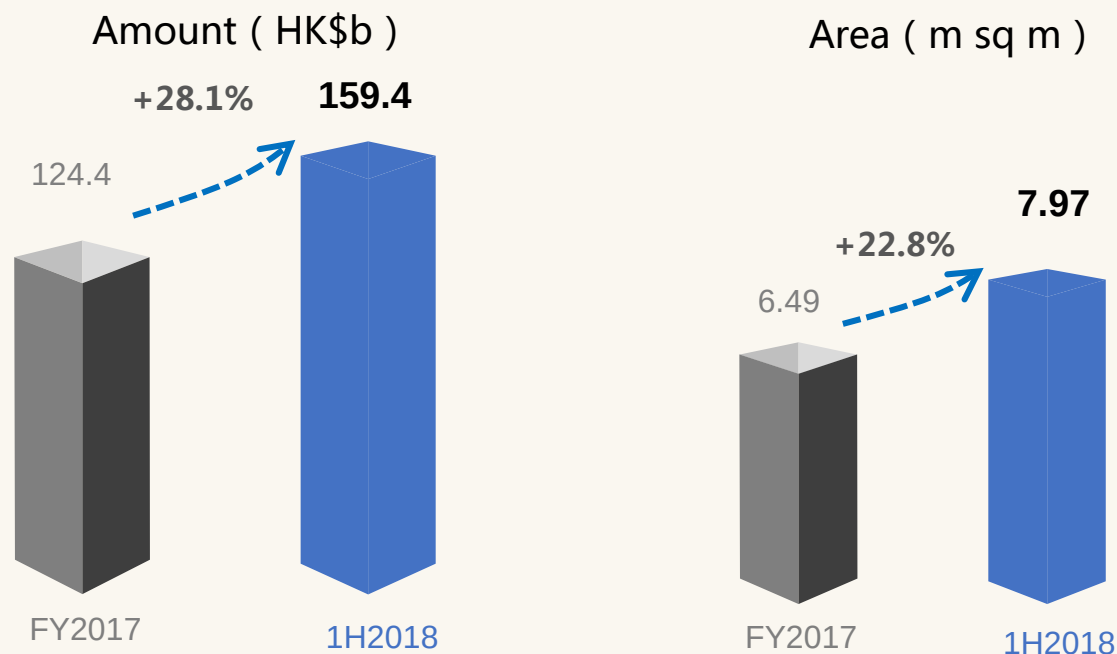


¹ The Group series of companies excluded COGO

A Faster growth on Pre-Sales Carried Forward

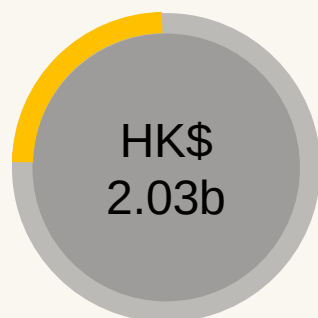
- As of the end of June 2018, the group series of companies' pre-sales carried forward was HK\$232.9b (+27.6% end of 2017); corresponding GFA was 12.98m sq m (+21.6% end of 2017)
- As of the end of June 2018, the group series of companies' pre-sales carried forward (excluding COGO) was HK\$178.8b (+24.3% end of 2017); corresponding GFA was 8.73m sq m (+19.8% end of 2017)
- Based on attributable interest, the group series of companies' pre-sales carried forward (excluding COGO) was HK\$159.4bn, (+28.1% end of 2017); corresponding GFA 7.97m sq m (+22.8% end of 2017)

Attributable pre-sales carried forward (as of 30 June 2018)



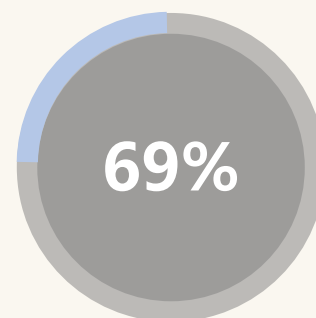
Commercial Property

- Faster Income Growth during the Period



↑ 46%

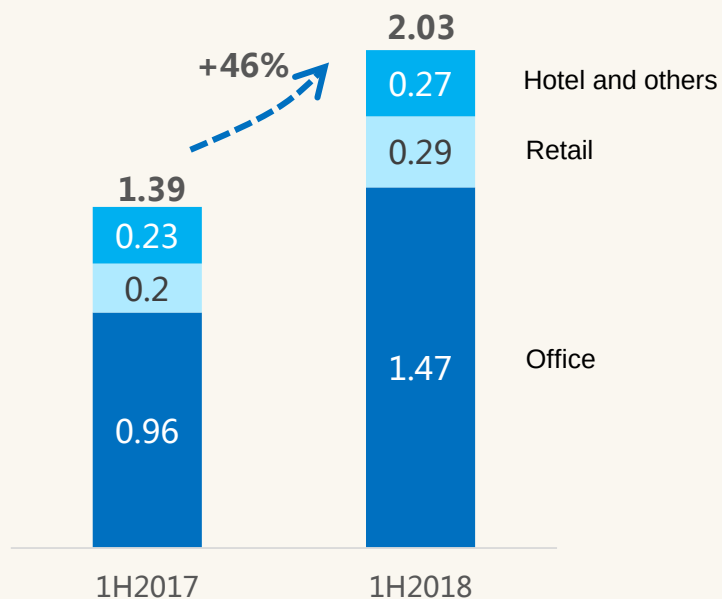
**Total
revenue**



↑ 2ppts¹

**Gross profit
margin**

Commercial property income (HK\$b)



Commercial properties of the group series of companies	In operation			Under construction		To be constructed	
	#	Total GFA (m sq m)	Rentable GFA (m sq m)	#	Total GFA (m sq m)	#	Total GFA (m sq m)
Total	63	3.69	2.59	31	2.10	37	3.46
Office	38	2.29	1.70	17	1.47	15	2.10
Retail	12	1.07	0.57	3	0.30	9	0.97
Hotel	12	0.33	0.31	3	0.15	10	0.36
Apartment	1	0.01	0.01	8	0.20	3	0.03

¹compared to FY2017



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Target, Outlook and Strategy

2018 Targets

Faster Development based on quality and effectiveness

Unit: HK\$b, m sq m

	Completed in 1H2018	FY2018 Outlook
The group series of companies contracted sales	150.85	Achieved 25% growth target
The group's net profit attributable to equity shareholders	23.22	Stable growth
The group's new attributable land investment amount ¹	45.9	Prudent stable investment
The group series of companies GFA completion	6.77	On track
The group series of companies construction commencement	15.97	26.45

¹HKD to RMB conversion rate: 0.81

Thank you!

Q&A



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Land Bank in 1H 2018

Region	City	GFA (m ²)	%	Attri. GFA (m ²)	%
Huanan Region	Shenzhen (incl. Dongguan)	1,108,361	1.6%	749,254	1.3%
	Hainan	1,562,351	2.3%	1,341,490	2.4%
	Guangzhou	4,739,480	7.0%	1,104,876	2.0%
	Foshan (incl. Zhongshan, Zhaoqing)	2,945,515	4.4%	2,397,588	4.2%
	Changsha	1,793,619	2.7%	1,373,553	2.4%
	Xiamen (incl. Zhangzhou)	682,020	1.0%	398,197	0.7%
	Fuzhou	1,058,717	1.6%	1,058,717	1.9%
	Zhuhai (incl. Jiangmen)	989,578	1.5%	734,178	1.3%
	Subtotal	14,879,642	22.1%	9,157,852	16.2%
Huadong Region	Suzhou (incl. Wuxi)	2,699,273	4.0%	2,322,413	4.1%
	Nanjing (incl. Zhenjiang)	1,754,782	2.6%	1,505,721	2.7%
	Ningbo	962,372	1.4%	917,706	1.6%
	Hangzhou	387,442	0.6%	310,111	0.5%
	Nanchang	523,757	0.8%	523,757	0.9%
	Shanghai	772,801	1.1%	674,036	1.2%
	Subtotal	7,100,426	10.5%	6,253,744	11.1%
Northern Region	Changchun	3,049,472	4.5%	3,049,472	5.4%
	Qingdao	2,919,123	4.3%	2,868,528	5.1%
	Dalian	1,739,261	2.6%	1,497,917	2.6%
	Shenyang	3,458,364	5.1%	3,458,364	6.1%
	Yantai	914,384	1.4%	914,384	1.6%
	Harbin	408,688	0.6%	279,035	0.5%
	Subtotal	12,489,293	18.5%	12,067,700	21.3%
Huabei Region	Beijing	4,327,069	6.4%	3,784,860	6.7%
	Tianjin	3,692,883	5.5%	2,989,684	5.3%
	Jinan	7,629,046	11.3%	7,311,541	12.9%
	Wuhan	633,975	0.9%	633,975	1.1%
	Zhengzhou	1,060,836	1.6%	1,060,836	1.9%
	Taiyuan	465,724	0.7%	328,535	0.6%
	Subtotal	17,809,533	26.4%	16,109,431	28.5%
Western Region	Chengdu	3,951,665	5.9%	3,951,665	7.0%
	Xi'an	2,874,814	4.3%	2,211,584	3.9%
	Chongqing	4,357,802	6.5%	3,740,693	6.6%
	Kunming	1,650,488	2.4%	1,303,504	2.3%
	Xinjiang	2,139,290	3.2%	1,630,733	2.9%
	Subtotal	14,974,059	22.2%	12,838,179	22.7%
HK & Macau	Hong Kong	223,486	0.3%	146,889	0.3%
	Subtotal	223,486	0.3%	146,889	0.3%
Total		67,476,439	100.0%	56,573,795	100.0%

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