



2022 Interim Results

Investor Presentation

***Robust Foundation
Forging Ahead***

August 2022

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Interim Results Highlights

2022 Interim Results Highlights

Forged Ahead against Market Headwinds with Quality Development



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



Sales and cash collection performed well against market headwinds,
Further consolidated industry position

Contracted sales

RMB138.50_b

Contracted sales ranking

Top 4 in the industry

Cash collection rate

88.0%

Industry-leading land acquisition amount to drive sustainable development
Strategic acquisition of quality land bank

Total land premium of
the Group Series of
Companies

RMB53.11_b

Total land premium
of the Group

RMB48.01_b

Investment in
M&A Projects

RMB10.66_b

% of the Group's new
saleable resources in
first-tier cities

47.4%

2022 Interim Results Highlights (Cont'd)

Forged Ahead against Market Headwinds with Quality Development



中國海外發展有限公司
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Financial stability and ample cash for stable and sustainable growth

Liability to asset ratio¹

58.95%

Net gearing

40.96%

Average borrowing cost

3.44%

Cash on hand

RMB125.32b

Leading position in value creation

Core net profit margin
attributable to shareholders²

16.7%

Core net profit attributable
to shareholders²

RMB17.35b

SG&A as % of revenue

3.2%

¹ Liability to asset ratio (excl. pre-sales proceeds): 54.58%

² Net profit attributable to shareholders excluding after-tax fair value gain of investment properties and net foreign exchange gains and losses



Business and Management Review

Contracted Sales Performed Well against Market Headwinds

Cash Collection Rate Remained High

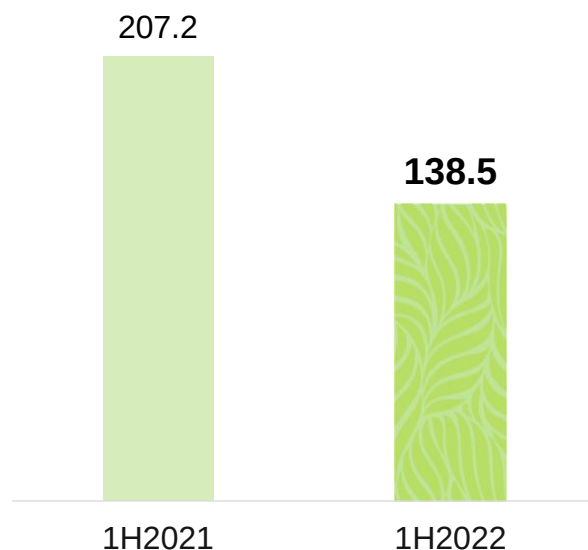


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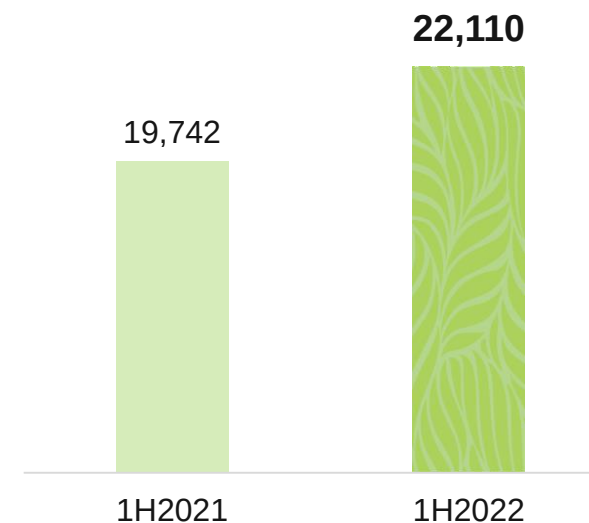


- In 1H2022, contracted sales was RMB138.5b and the **industry ranking rose to Top 4**
- In 1H2022, average selling price was RMB22,110/sq m
- Cash collection rate remained high, overall cash collection rate increased 1.3pp to 88.0%, **domestic cash collection rate increased 8.8pp to 95.1%**

**Contracted sales of the
Group Series of Companies (RMB b)**

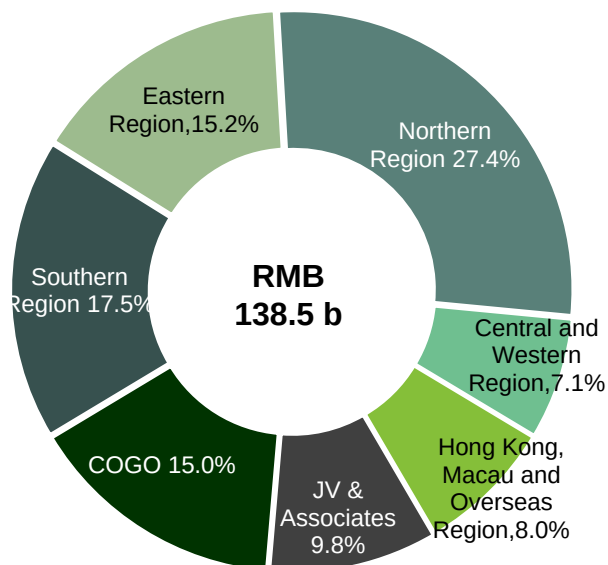


**Average selling price of the
Group Series of Companies (RMB/sq m)**

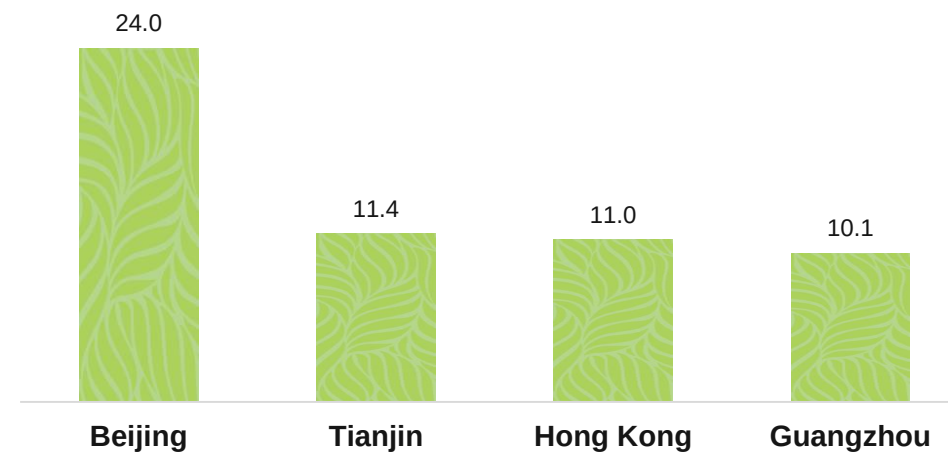


Focused on Major Cities to Maintain Quality Operations

1H2022 contracted sales breakdown of the Group Series of Companies (by region)



Cities with contracted sales over RMB10b (RMB b)



- Focused on major cities with contribution from first-tier cities further strengthened (increased 10.1pp to 36.8%)
- 4 cities** (Beijing, Tianjin, Hong Kong and Guangzhou) achieved contracted sales of over RMB10b
- Further market penetration with **29 cities** ranked **top 3** in terms of market share

Proactive land acquisition, adopting Blue Ocean Strategy to acquire quality land bank through multiple channels

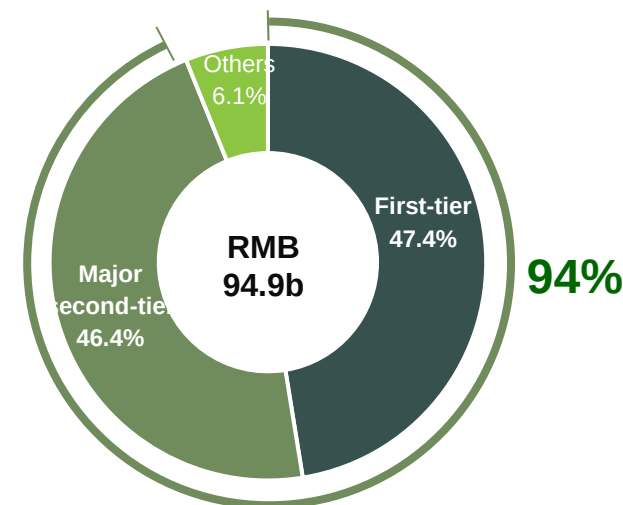
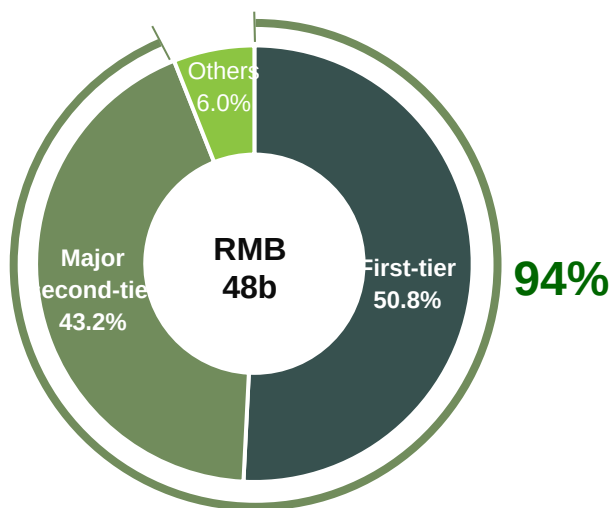
- With overall land market transactions declining significantly, the Group Series of Companies maintained its **investment scale**, with new land premium reaching **RMB53.1b** in 1H2022, corresponding saleable resources of **RMB108.2b**
- The Group Series of Companies (excluding COGO)'s new land premium reached **RMB48.0b**, corresponding saleable resources of **RMB94.9b**
- The Group adhered to the Blue Ocean Strategy and **investment in non-public projects amounted to RMB12.5b¹** in 1H2022, of which **more than RMB10b was invested in M&A projects** in three major cities (Shanghai, Guangzhou and Chengdu)



¹ Included Guangzhou Asian Games City project

- The Group Series of Companies (excluding COGO) acquired 18 land parcels in the first-tier and major second-tier cities¹ with total new land premium of RMB45.1b, accounting for 94%
- Corresponding total saleable resources reached RMB89.1b, accounting for 94%

Land acquisition breakdown of the Group Series of Companies (excluding COGO) in 1H2022
(by land premium) (by saleable resources)



¹ Major second-tier cities: 14 key cities

Sizable land bank to ensure sustainable development

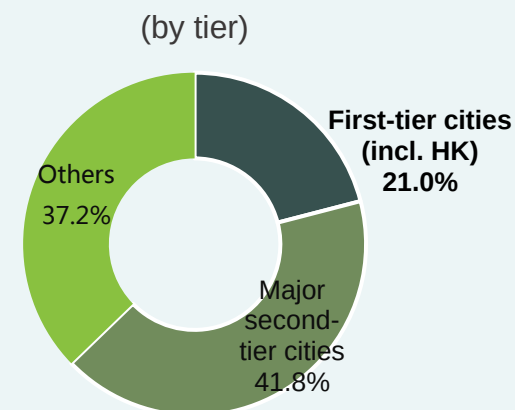
- As at the end of Jun 2022, the Group Series of Companies' total land bank was **74.39m sq m**
- The Group Series of Companies' total land bank (excluding COGO) was 47.05m sq m, with attributable land bank of 40.95 m sq m



Quality land bank with focus on major cities

- The Group Series of Companies' saleable resources (excluding COGO) in **first-tier cities (including Hong Kong) and major second-tier cities** was 29.54m sq m, accounting for **63%** of the total land bank

The Group Series of Companies (excluding COGO) Total saleable resources breakdown as at the end of Jun 2022



Sales in Hong Kong Hit Record High Continued to Seize Opportunities in Hong Kong



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MTR Kam Sheung Road Station project in Hong Kong achieved sales of over RMB10b

- Grand Mayfair (Phase I&II) which was launched in the second quarter had been well received
- As at 8 August, 1,367 units were sold, accounting **90%** of the total units, **and total sales reached HKD12.5b**



Proactive land acquisition to maintain sustainable development in Hong Kong

- The Greater Bay Area has great potential as one of the major regions contributing to economic growth in China
- The Group takes a proactive yet prudent approach, seizing opportunities to acquire quality land bank in Hong Kong
- 7 residential/commercial projects in Hong Kong, with **total saleable resources of HKD112.4b** and attributable saleable resources of HKD35.1b

Accelerated Project Operations, Customer-oriented with Prominent Advantages in Quality Delivery



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Operations – Accelerated development, operational efficiency maintained at industry-leading level

- Accelerated project development through early stage cross-departmental discussions
Project operational efficiency maintained industry-leading level
- Facilitated accelerated delivery for quality saleable resources.** Over 70% new projects acquired in 1H will be able to launch sales within 2022, realizing quality and speedy development



Product–Continued to create excellent products and provide quality services

- Customer oriented approach to refine product continuously.** Create quality products through standardization
- 100% on-time delivery rate with continued improvement in delivery quality
- In 1H2022, early delivery of approximately 33% in terms of number of household
Customer satisfaction level remained top 3 among the top 20 developers



Maintained Industry-leading Value Creation Capability

Maintained industry-leading profit margin

- Core net profit margin attributable to shareholders¹ was **16.7%**
- Gross profit margin was **23.5%**
- Maintained industry-leading value creation capability

Core net profit
margin attributable
to shareholders¹

16.7%

Gross profit
margin

23.5%

Reduced cost and increased efficiency, cost management maintained industry-leading level

- Selling, general and administrative expenses (SG&A) accounted for 3.2% of revenue, down 0.1pp yoy, **maintaining at a low level in the industry**
- Average borrowing cost was 3.44%, among the lowest in the industry

SG&A as % of
revenue

3.2%

Average
borrowing cost

3.44%

Continue to generate stable and sustainable returns for investors

- Interim dividend per share of HK40 cents

Accumulative cash dividend
during 30 years of listing

over **100b HKD**

¹ Net profit attributable to shareholders excluding after-tax fair value gain of investment properties and net foreign exchange gains and losses

Financial Stability to Propel Growth Momentum

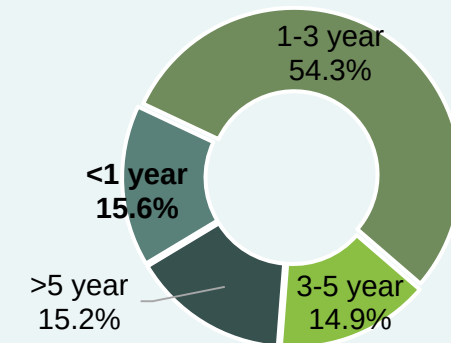
Low liability to asset ratio, optimal debt structure, quality “green category” developer compliant with “three red lines”

Remained as a quality “green category” developer, and all metrics stayed at an excellent level

- Liability to asset ratio (excl. pre-sales proceeds): 54.58% (<70%)
- Net gearing (based on total equity): 38.96% (<100%)
- Cash to short-term debt (excl. regulated presales proceeds): 2.41x (>1x)

Cash on hand was RMB125.3b, well capitalised to capture market opportunities

Maturity distribution of interest bearing debt (%)



Highest credit ratings in the industry with leading financing advantages, both onshore and offshore

- Issued various bonds in 1H2022, recording the lowest interest rate for comparable products at issuance
- Successfully issued the first green interbank note of RMB1.0b, the largest-ever carbon neutrality CMBS of RMB5.0b in the domestic market at issuance and the first M&A loan supported by central bank

Agencies	Rating	Outlook
Fitch	A-	Stable
Moody's	Baa1	Stable
Standard & Poor's	BBB+	Stable
Lianhe	AAA	Stable

Unbooked Pre-sales Maintained Stable

- As at the end of Jun 2022, the Groups Series of Companies' unbooked pre-sales was RMB243.1b
- The Group Series of Companies (excluding COGO)'s unbooked pre-sales was RMB158.6b

Unbooked pre-sales (RMB b)

The Group Series of Companies



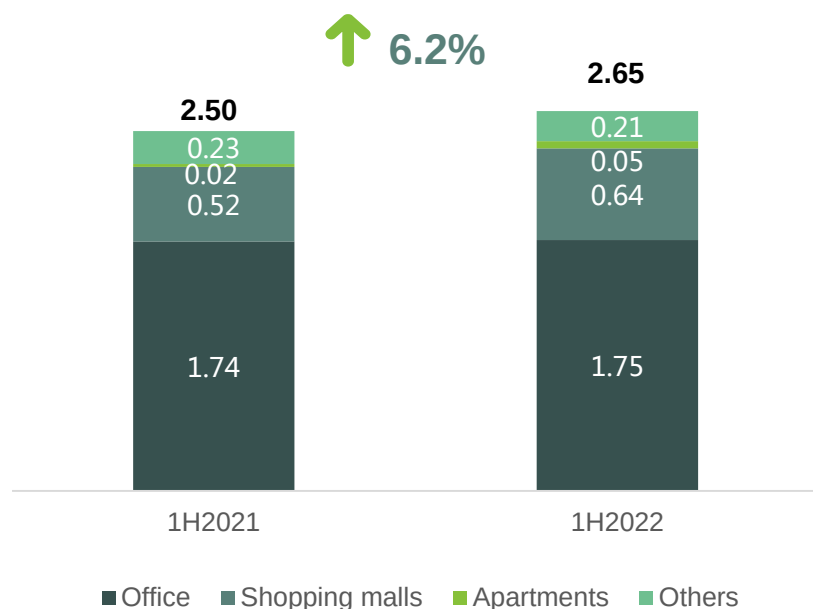
The Group Series of Companies
(excluding COGO)



Commercial Revenue Achieved Growth against Market Headwinds

- Despite the impact of pandemic and against the market headwinds, revenue of commercial properties increased 6.2% YoY to RMB2.65b in 1H2022
- New project pipeline sustains growth.** Launched 7 new projects in 1H, with GFA of 380,000 sq m. 10 projects to be launched in 2H, with GFA of 710,000 sq m

Commercial property revenue¹ (RMB b)



New projects in 2022



¹Excluding COGO (1 office building, 2 hotels and 2 apartment buildings)

Both Office and Shopping Mall Businesses on Growth Trajectory

- **Office:** Revenue of RMB1.75b with 85.6% occupancy rate¹. Higher proportion of income from first-tier cities with mature projects performed well
- **Shopping mall:** Revenue of RMB0.64b with 92.6% occupancy rate¹, same store rental income and retail sales in 1H2022 increased against market headwinds

Rental revenue¹ from office steadily increased

RMB b

↑ 1%

1.74

1.75

1H2021

1H2022

Revenue from first-tier cities

% of Revenue **52%**

Performance of mature projects²

% of Revenue **88%**

Revenue growth **25%**

Occupancy rate **88%**

Gross profit **75.9%**

Rental revenue from shopping malls increased counter-cyclically

RMB b

↑ 23%

0.52

0.64

1H2021

1H2022

Same-store rental revenue

↑ 2.4%

Total revenue

↑ 7.7%

Performance of mature projects²

% of Revenue **71%**

Revenue growth **19%**

Occupancy rate **96%**

Gross profit **77.8%**

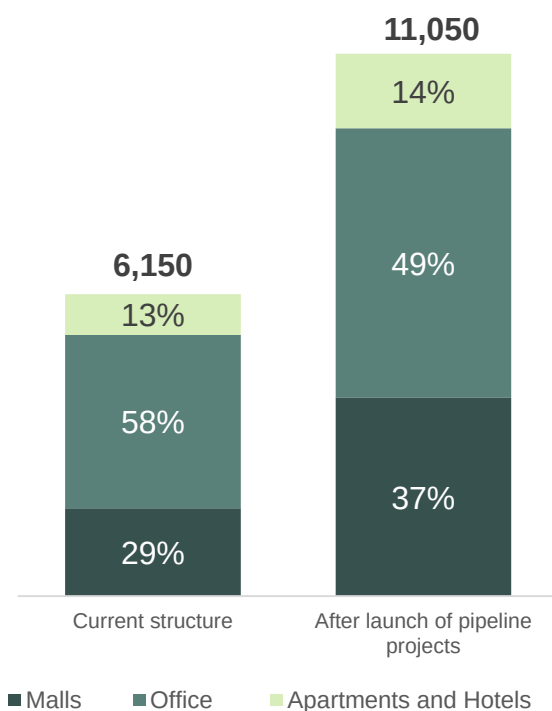
¹ Projects opened over 1 year ² Projects opened over 3 year

Continued to Invest in Office and Shopping Malls

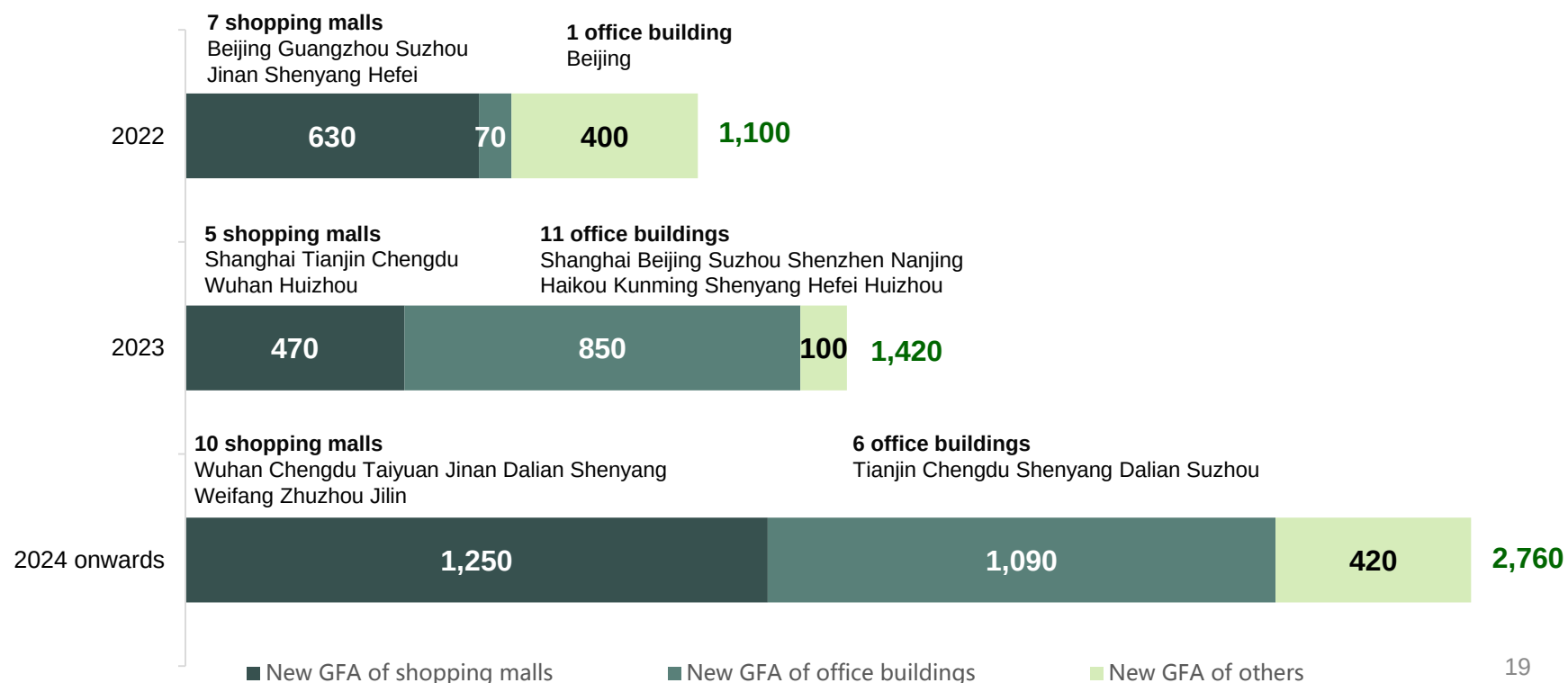
Driving Sustainable Growth in Revenue from Commercial Properties

- Relatively sizeable scale of projects under operations and to be developed
 - Commercial properties owned by the Group Series of Companies reached 11.05m sq m
- Focused on first-and-second-tier cities, increased proportion of shopping malls
 - First-and-second-tier cities' GFA accounted for 92% of pipeline projects
 - Shopping malls' GFA contribution will increase to 37% after all pipeline projects are launched

Breakdown of owned commercial projects
('000' sq m)



The Group Series of Companies' commercial properties to be launched ('000 sq m)



Continuously Improvement in Sustainability Performance

Increasing number of green certified projects

Green certified projects

As at the end of June 2022

Total	Total certified GFA
513 projects	93.03 m sq m
9 new projects	1.18m sq m newly certified

Key green building certifications



Total **20**
LEED certifications



Total **9** WELL HRS
certifications



1 Beijing China Overseas
Fortune Center won
WELL V2 CORE
Platinum
certification



Improvements in ESG efforts

Promoted green finance

- Issued the largest 18-year green carbon neutrality CMBS onshore of RMB5.01 billion

Strengthened ESG Governance

- Included “climate change risk” and “ESG risk” into risk database

Climate change management

- Conducted climate change scenario analysis based on physical risks and transition risks

COLI's Carbon Neutrality Plan

- Compiled COLI Carbon Neutrality Plans in line with national targets



ESG ratings



Hang Seng Corporate
Sustainability Index
Series Member 2021-2022

MSCI
ESG RATINGS

CCC B BB BBB A AA AAA



SUSTAINALYTICS

a Morningstar company Low Risk



G R E S B
★ ★ ★ ★ ★ 2021

The highest green rating (G-AAA) by Lianhe
Equator Environmental Impact Assessment



Outlook and Strategy

Market Outlook

- Domestic property sales declined rapidly since July 2021 and property industry is officially entering into the second-half
- In the second-half of the property industry, market volume will decrease yet remain huge
- Currently the property industry is undergoing a transition period

Industry trends

There are “three segmentations” of the property industry in the second-half:

- **Market segmentation:** First-, second- and strong third-tier cities will be the main battlefields
- **Industry segmentation:** China real estate industry is undergoing major change and adjustment, and will continue to consolidate
- **Company segmentation:** With limited fault tolerance, only enterprises with precise management, well-developed products and good reputation can outstand other competitors

Stable Company Creates Long-term Value for Shareholders

Continue to create sustainable returns for shareholders throughout Economic / Policy Cycles for 30 years

- **Market capitalization of the Group rose nearly 80 times** since IPO, substantially outperformed Hang Seng Index's increase of 4x during the same period
- Dividend has been rising steadily for 20 consecutive years, and the accumulated cash dividend per share was HKD10.27 (total dividend of over HKD100 billion), 10 times the IPO price
- All financial metrics increased substantially in the past 30 years throughout cycles

Shareholder returns metrics	20 Aug 1992 (IPO)	30 Jun 2022	Multiple	Compound annual growth rate (CAGR)
Market value (RMB b)	3.4	271.4	80x	15.7%
Hang Seng Index	5,482	21,860	4x	4.7%
Accumulated dividend (HKD/share)		10.27	10x of the IPO price	
Financial metrics	31 Dec 1992	30 Jun 2022	Multiple	CAGR
Total asset (RMB b)	3.34	903.64	271x	20.5%
Equity attributable to the shareholders (RMB b)	1.86	352.81	190x	19.1%
Net assets per share (RMB)	0.6	32.2	54x	14.2%



Thank you !





City Square (Phase IV), Tianjin

Land Bank as at the End of Jun 2022¹

Region	City	Land Area ('000 sq m)	%	Attributable Land Area ('000 sq m)	%
Southern Region	Shenzhen	1,320	2.8%	1,280	3.1%
	Dongguan	790	1.7%	790	1.9%
	Guangzhou	3,170	6.7%	2,160	5.3%
	Foshan	1,940	4.1%	1,560	3.8%
	Changsha	1,040	2.2%	970	2.4%
	Xiamen	820	1.7%	680	1.7%
	Fuzhou	260	0.6%	260	0.6%
	Hainan	1,080	2.3%	1,060	2.6%
	Zhuhai	870	1.8%	620	1.5%
	Nanchang	450	1.0%	450	1.1%
	Subtotal	11,730	24.9%	9,830	24.0%
Eastern Region	Shanghai	2,050	4.4%	1,480	3.6%
	Nanjing	970	2.1%	960	2.3%
	Suzhou	1,490	3.2%	1,190	2.9%
	Wuxi	220	0.5%	220	0.5%
	Ningbo	630	1.3%	630	1.5%
	Hangzhou	560	1.2%	510	1.3%
	Jinan	2,800	6.0%	2,570	6.3%
	Qingdao	2,070	4.4%	1,080	2.6%
	Yantai	440	0.9%	440	1.1%
	Subtotal	11,230	23.9%	9,070	22.2%
Northern Region	Beijing	3,190	6.8%	2,940	7.2%
	Tianjin	3,310	7.0%	2,740	6.7%
	Shijiazhuang	190	0.4%	190	0.5%
	Changchun	1,320	2.8%	1,170	2.9%
	Dalian	1,210	2.6%	1,050	2.6%
	Shenyang	2,010	4.3%	2,010	4.9%
	Harbin	1,120	2.4%	940	2.3%
	Subtotal	12,340	26.2%	11,040	27.0%
Central and Western Region	Wuhan	1,910	4.1%	1,760	4.3%
	Taiyuan	2,210	4.7%	2,210	5.4%
	Zhengzhou	510	1.1%	510	1.2%
	Chengdu	1,870	4.0%	1,780	4.3%
	Xi'an	530	1.1%	530	1.3%
	Chongqing	2,820	6.0%	2,800	6.8%
	Kunming	380	0.8%	380	0.9%
	Xinjiang	220	0.5%	210	0.5%
	Guiyang	600	1.3%	600	1.5%
	Subtotal	11,060	23.5%	10,790	26.3%
Hong Kong, Macau and Overseas Region	Hong Kong	690	1.5%	220	0.5%
	Subtotal	690	1.5%	220	0.5%
Total		47,050	100.0%	40,950	100.0%

¹Excluded COGO

Land Parcels Acquired by the Group in Jan-Jun 2022¹

No.	Date of acquisition	City	Name of the development project	% attributable to the company	Land area (sq m)	Total GFA (sq m)	Attributable GFA (sq m)	Attributable Land Premium (RMB m)	Total Land Premium (RMB m)
1	February	Beijing	Changping District Project	100%	59,603.84	216,388.48	216,388.48	3,260.00	3,260.00
2	February	Beijing	Daxing District Project	100%	23,520.00	85,317.00	85,317.00	2,480.00	2,480.00
3	March	Shanghai	Yangpu District Project	80%	33,940.30	170,310.00	136,248.00	6,241.72	7,802.15
4	March	Xiamen	Jimei District Project	100%	9,080.80	39,323.00	39,323.00	640.00	640.00
5	March	Chongqing	Yubei District Project #1	100%	59,426.00	161,581.72	161,581.72	1,201.30	1,201.30
6	March	Chengdu	Tianfu New Area Project #1	100%	38,439.79	109,974.12	109,974.12	920.40	920.40
7	April	Chengdu	Hi-tech Industrial Development Zone Project	100%	93,607.81	337,654.00	337,654.00	4,118.74	4,118.74
8	April	Chengdu	Tianfu New Area Project #2	100%	20,838.15	59,924.00	59,924.00	611.52	611.52
9	April	Changsha	Tianxin District Project #1	100%	131,009.26	338,786.00	338,786.00	3,177.00	3,177.00
10	April	Ningbo	Haishu District Project	100%	29,652.00	89,745.12	89,745.12	1,335.51	1,335.51
11	April	Nanjing	Jiangning District Project	100%	67,703.81	127,016.95	127,016.95	1,350.00	1,350.00
12	May	Guangzhou	Baiyun District Project	100%	24,992.00	115,618.00	115,618.00	2,718.87	2,718.87
13	May	Nanchang	High-Tech Industrial Development Zone Project	100%	66,284.00	194,565.59	194,565.59	1,294.53	1,294.53
14	May	Beijing	Shijingshan District Project	99%	29,035.00	115,751.00	114,593.49	2,633.40	2,660.00
15	June	Xi'an	High-Tech Industrial Development Zone Project	100%	51,237.90	206,583.90	206,583.90	1,841.00	1,841.00
16	June	Beijing	Shunyi District Project	100%	157,751.99	310,891.23	310,891.23	5,470.00	5,470.00
17	June	Dalian	High-Tech Industrial Development Zone Project	100%	20,792.23	73,300.00	73,300.00	955.91	955.91
18	June	Qingdao	Huangdao District Project #1	100%	35,285.00	144,356.50	144,356.50	732.63	732.63
19	June	Qingdao	Huangdao District Project #2	100%	53,210.00	222,387.00	222,387.00	1,155.77	1,155.77
20	June	Ningbo	Jiangbei District Project	100%	80,142.00	290,592.10	290,592.10	2,784.02	2,784.02
21	June	Chengdu	Tianfu New Area Project #3	50%	46,620.31	169,814.00	84,907.00	747.86	1,495.73
Total					1,132,172.19	3,579,879.71	3,459,753.20	45,670.18	48,005.08

¹Excluded COGO

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