



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

(Incorporated in Hong Kong with limited liability)  
(於香港註冊成立之有限公司)

Stock Code 股份代號 : 00688



# 穩如磐石 勇毅前行

*Robust Foundation  
Forging Ahead*

2022  
中期報告  
Interim Report



# 目錄

02	公司業務架構
03	財務摘要
04	董事局及委員會
05	公司資料
06	股東資料及財務日程表
07	主席報告書
11	管理層討論與分析
27	簡明綜合收益表
28	簡明綜合全面收益表
29	簡明綜合財務狀況表
31	簡明綜合權益變動表
33	簡明綜合現金流量表
35	簡明綜合財務報表附註
60	其他
60	中期股息及暫停辦理股份 過戶登記手續
60	股本
60	購買、出售或贖回本集團之 上市證券
64	股份期權計劃
67	董事及最高行政人員之證券 權益
71	主要股東之證券權益
72	企業管治
73	董事進行證券交易的 標準守則
73	董事資料變動
74	審核及風險管理委員會審閱 中期報告

# Contents

75	Corporate Structure
76	Financial Highlights
77	Board of Directors and Committees
78	Corporate Information
79	Shareholders' Information and Financial Calendar
80	Chairman's Statement
84	Management Discussion & Analysis
100	Condensed Consolidated Income Statement
101	Condensed Consolidated Statement of Comprehensive Income
102	Condensed Consolidated Statement of Financial Position
104	Condensed Consolidated Statement of Changes in Equity
106	Condensed Consolidated Statement of Cash Flows
108	Notes to the Condensed Consolidated Financial Statements
133	Others
133	Interim Dividend and Closure of Register of Members
133	Share Capital
133	Purchase, Sale or Redemption of the Group's Listed Securities
137	Share Option Scheme
140	Directors' and Chief Executive's Interests in Securities
144	Substantial Shareholders' Interests in Securities
145	Corporate Governance
146	Model Code for Securities Transactions by Directors
146	Changes in Directors' Information
147	Review of Interim Report by Audit and Risk Management Committee

# Corporate Structure



\* Property development in 86 major cities in Mainland China, including Beijing, Shanghai, Guangzhou, Shenzhen, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Ezhou, Foshan, Fuzhou, Guiyang, Haikou, Hangzhou, Harbin, Jiangmen, Jiaxing, Jinan, Kunming, Nanchang, Nanjing, Ningbo, Qingdao, Sanya, Shenyang, Shijiazhuang, Suzhou, Taiyuan, Taizhou (台州), Tianjin, Urumqi, Wanning, Weihai, Wenzhou, Wuhan, Wuxi, Xiamen, Xi'an, Yantai, Zhangzhou, Zhaoqing, Zhengzhou, Zhenjiang<sup>^</sup>, Zhongshan, Zhuhai, Anqing<sup>#</sup>, Baotou<sup>#</sup>, Changzhou<sup>#</sup>, Chuzhou<sup>#</sup>, Ganzhou<sup>#</sup>, Guilin<sup>#</sup>, Hefei<sup>#</sup>, Hohhot<sup>#</sup>, Huai'an<sup>#</sup>, Huangshan<sup>#</sup>, Huizhou<sup>#</sup>, Jilin<sup>#</sup>, Jinhua<sup>#</sup>, Jining<sup>#</sup>, Jiujiang<sup>#</sup>, Langfang<sup>#</sup>, Lanzhou<sup>#</sup>, Linyi<sup>#</sup>, Liuzhou<sup>#</sup>, Nanning<sup>#</sup>, Nantong<sup>#</sup>, Qingyuan<sup>#</sup>, Quanzhou<sup>#</sup>, Shantou<sup>#</sup>, Shaoxing<sup>#</sup>, Taizhou (泰州)<sup>#</sup>, Tangshan<sup>#</sup>, Tianshui<sup>#</sup>, Weifang<sup>#</sup>, Weinan<sup>#</sup>, Xining<sup>#</sup>, Xuzhou<sup>#</sup>, Yancheng<sup>#</sup>, Yangzhou<sup>#</sup>, Yinchuan<sup>#</sup>, Zhanjiang<sup>#</sup>, Zhuzhou<sup>#</sup>, Zibo<sup>#</sup>, Zunyi<sup>#</sup> as well as in Hong Kong and Macau

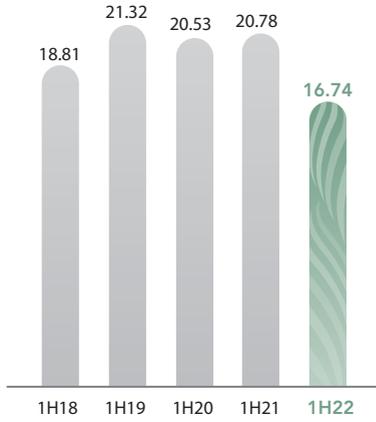
<sup>^</sup> The city where both China Overseas Land & Investment Limited (the "Company") and its subsidiaries (the "Group") and China Overseas Grand Oceans Group Limited ("COGO") have operations

<sup>#</sup> The cities where COGO has operations

# Financial Highlights

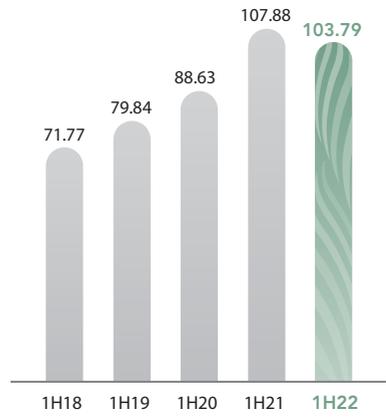
## Profit Attributable to Equity Shareholders of the Company

RMB billion



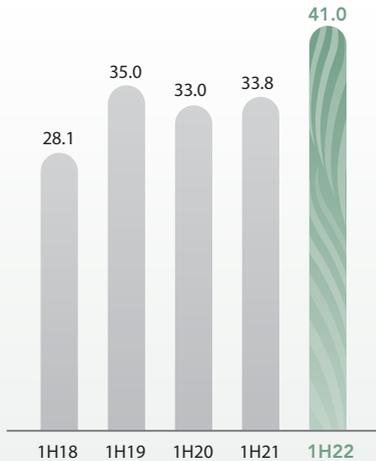
## Revenue

RMB billion



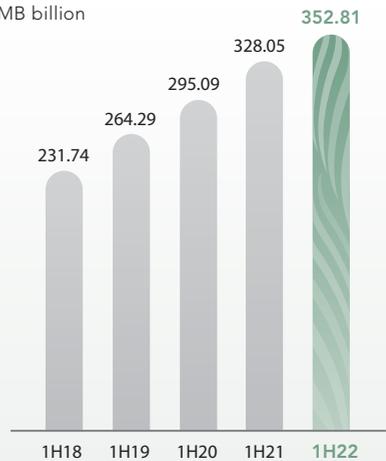
## Net Gearing<sup>#</sup>

%



## Equity attributable to Shareholders of the Company

RMB billion



<sup>#</sup> Representing total debt less bank balances and cash divided by the equity attributable to shareholders of the Company



## Board of Directors and Committees

### Executive Directors

Yan Jianguo *Chairman*  
Luo Liang *Vice Chairman*  
Zhang Zhichao *Chief Executive Officer*  
Guo Guanghui *Vice President*

### Non-Executive Directors

Zhuang Yong *Vice Chairman*  
Zhao Wenhai

### Independent Non-Executive Directors

Fan Hsu Lai Tai, Rita  
Li Man Bun, Brian David  
Chan Ka Keung, Ceajer

### Authorised Representatives

Yan Jianguo  
Luo Liang

### Audit and Risk Management Committee

Li Man Bun, Brian David\*  
Fan Hsu Lai Tai, Rita  
Chan Ka Keung, Ceajer

### Remuneration Committee

Chan Ka Keung, Ceajer\*  
Fan Hsu Lai Tai, Rita  
Li Man Bun, Brian David

### Nomination Committee

Fan Hsu Lai Tai, Rita\*  
Li Man Bun, Brian David  
Chan Ka Keung, Ceajer

### Corporate Governance Committee

Chan Ka Keung, Ceajer\*  
Fan Hsu Lai Tai, Rita  
Li Man Bun, Brian David  
Luo Liang

\* *Committee Chairman*

## Corporate Information

### Registered Office

10/F., Three Pacific Place  
1 Queen's Road East, Hong Kong  
Telephone : (852) 2988 0666  
Facsimile : (852) 2865 7517  
Website : [www.coli.com.hk](http://www.coli.com.hk)

### Company Secretary

Edmond Chong

### Registrar and Transfer Office

Tricor Standard Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road, Hong Kong  
Telephone : (852) 2980 1333  
Facsimile : (852) 2810 8185  
E-mail : [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)

### Investor Relations

Corporate Communications Department  
Telephone : (852) 2988 0666  
Facsimile : (852) 2865 7517  
E-mail : [coli.ir@cohl.com](mailto:coli.ir@cohl.com)

### Public Relations

Corporate Communications Department  
Telephone : (852) 2988 0666  
Facsimile : (852) 2865 7517  
E-mail : [coli.pr@cohl.com](mailto:coli.pr@cohl.com)

### Independent Auditor

Ernst & Young  
*Certified Public Accountants and  
Registered Public Interest Entity  
Auditor*

### Principal Bankers (In Alphabetical Order)

Agricultural Bank of China  
Bank of China  
Bank of Communications Co., Ltd.  
Bank of Shanghai Co., Ltd.  
China Construction Bank Corporation  
China Merchants Bank  
DBS Bank Ltd., Hong Kong Branch  
Industrial Bank Co., Ltd.  
Industrial and Commercial Bank of China  
Nanyang Commercial Bank, Limited  
OCBC Wing Hang Bank Limited  
Postal Savings Bank of China  
Shanghai Pudong Development Bank  
Co., Ltd.  
Sumitomo Mitsui Banking Corporation  
The Hongkong and Shanghai Banking  
Corporation Limited



# Shareholders' Information and Financial Calendar

## Listing

The Company's shares (the "**Shares**") are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and certain notes and bonds issued by the Company's subsidiaries are listed on the Stock Exchange and/or other stock exchange.

## Stock Code

### Shares

Stock Exchange : 00688  
Bloomberg : 688:HK  
Reuters : 0688.HK

## Financial Calendar

Interim results announcement : 24 August 2022  
Ex-dividend date : 16 September 2022  
Closure of Register of Members : 20 September 2022  
Record date : 20 September 2022  
Despatch of dividend warrants : 5 October 2022

## Chairman's Statement

In the first half of 2022, the global economy has been impacted by factors including COVID-19, the raising of the US dollar interest rate, and soaring global energy and food prices caused by the Russo-Ukrainian War. Mainland China's economy is thus facing the triple pressure of reduced demand, tightening supply and weakening expectations. With the weakening of growth expectations for the domestic economy and personal income, coupled with further debt defaults by property enterprises, from July 2021 to June 2022, domestic housing property sales declined on a month-on-month basis for 12 consecutive months, experiencing the longest cycle of decline since the reform of the housing system in 1998.

In such a difficult market, the Group looked shrewdly at the market and operated prudently and steadily. In the first half of 2022, the Group together with its associates and joint ventures (collectively the "**Group Series of Companies**") achieved contracted property sales of RMB138.50 billion, a decrease of 33.2% as compared to the corresponding period last year, and the sales ranking rose to the fourth in the industry. During the same period, sales of the top 10 property enterprises in Mainland China decreased by 45.5% as compared to the corresponding period last year. Facing these adverse conditions, the Group focused on its standing investment model for major cities and mainstream areas, expanded its comparative advantages, and steadily grew its market share.

The Group's performance has been under pressure in the market downturn. However, with its consistent approach of focusing on high-quality development and its fine-honed management advantages, the Group's profitability remains at an industry-leading level and continues to create high-value returns for shareholders. The unaudited revenue of the Group for the six month end 30 June 2022 was RMB103.79 billion; profit attributable to equity shareholders of the Company was RMB16.74 billion; after deducting net gains after tax arising from changes in fair value of investment properties and net foreign exchange gains and losses, profit attributable to equity shareholders of the Company was RMB17.35 billion. Basic earnings per share was RMB1.53; equity attributable to the shareholders of the Company was RMB352.81 billion; net assets per share was RMB32.2. The Board declared an interim dividend of HK40 cents per share in respect of the six months ended 30 June 2022.



## Chairman's Statement (Continued)

The Group maintains a policy of pursuing high-quality development founded on financial stability. At 30 June 2022, the Group's liability-to-asset ratio was 59.0% and net gearing was 41.0%. The Group continues to hold its position as a "green category" enterprise. Weighted average borrowing costs were 3.44% during the period, among the lowest in the industry.

The Group maintained its relative financial strength and secured more of the best investment opportunities, and maintained its industry-leading sustainability. In the first half of 2022, the Group Series of Companies further focused on higher-tier cities, adhered to the development strategy of "major cities, mainstream areas and mainstream products", and added 27 land parcels with total land premium of RMB53.11 billion and corresponding newly added total saleable resources of RMB108.19 billion. The Group continued to strengthen promotion of the "blue ocean strategy", introduced new investment models, and acquired two high-quality projects in Qingdao West Coast New Area.

Seizing the opportunity of realignment in the industry, the Group is actively seeking acquisition opportunities. In the first half of 2022, the Group focused on selecting the highest-quality assets in higher-tier cities and acquired equity interests in several projects in Guangzhou, Shanghai and Chengdu, with a total investment of RMB10.66 billion. In the second half of 2022, the Group will continue to search out further acquisition opportunities.

The Group put increasing numbers of commercial projects into operation, and rental income achieved growth against market headwinds. In the first half of 2022, seven commercial projects held by the Group in operation were newly added, including: Beijing Jin'an Uni ELITE; Guangzhou Asian Games City Plaza; and Unilive Apartment (Chengdu Tianfu International). The GFA of commercial projects held by the Group in operation increased by 380,000 sq m. During the period, the Group's revenue from commercial properties was RMB2.65 billion, an increase of 6.2% as compared to the corresponding period last year. Ten commercial projects held by the Group Series of Companies are scheduled to go into operation in the second half of 2022 with an estimated additional GFA of 710,000 sq m.

## Chairman's Statement (Continued)

The sales of the Group Series of Companies in Hong Kong hit a record level. In the first half of 2022, the sales of the Group Series of Companies amounted to HK\$13.0 billion in the Hong Kong market. This year marks the 25th anniversary of Hong Kong's reunification with Mainland China. The Group is confident of a brighter future for Hong Kong and will continue to increase its investment in Hong Kong.

Although the domestic real estate market remained depressed in the first half of 2022, the policy level has continued to provide favourable news since the beginning of the year, and the real estate financing environment has improved significantly, with cities insisting on "houses are for habitation, not speculation" and optimising the real estate regulation policies to promote the healthy development and a virtuous cycle of the real estate market. In the second half of 2022, the Group is cautiously optimistic that the real estate market will bottom out and rebound, and will do its utmost to seize the opportunities of improved market and create better-operating results.

Industry competition is a long-distance race without end. A large number of enterprises have dropped out of the race, and those that are still moving forward are divided into several echelons. A number of enterprises are merely holding on, while others are leading in the first echelon. The Group is in the first echelon, strong financial position, and with 43 years of long-distance competition experience. Our goal is to achieve success.

This year marks the 30th anniversary of the listing of the Group. With the strategy of stable operation and long-term development, the Group has held steady through multiple economic and real estate cycles, maintaining its leading position in the industry. I take this opportunity to extend my heartfelt gratitude to our customers, shareholders and the societies in which we operate, both domestic and overseas, for their continuous support! I also affirm my deep respect for colleagues who have devoted their best years and efforts to the Group in the past decades, developing China Overseas Land and Investment from small to large and from weak to strong.



## Chairman's Statement (Continued)

Finally, I would like to sincerely thank my fellow directors and all employees for their dedication and determination to grow our business in adversity and to pursue excellence at all times. I would also like to express my earnest gratitude to our 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 RMB103.79 billion. The operating profit was RMB24.13 billion. The gross profit margin was 23.5% and the net profit margin attributable to shareholders was 16.1%. The ratio of selling, distribution and administrative expenses to revenue was 3.2%. Profit attributable to equity shareholders of the Company amounted to RMB16.74 billion. Profit attributable to equity shareholders of the Company amounted to RMB14.96 billion after deducting net gains after tax arising from changes in fair value of investment properties. Together with deducting net foreign exchange gains and losses, the profit attributable to equity shareholders of the Company amounted to RMB17.35 billion. The half-year return on equity was 4.8%. Basic earnings per share was RMB1.53.

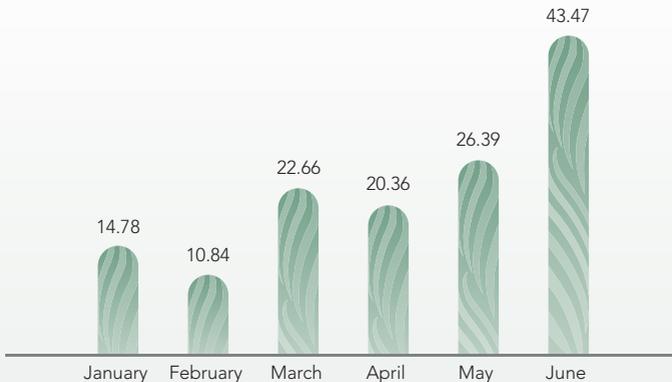
During the period, the Group recorded a net foreign exchange losses of RMB2.39 billion (corresponding period in 2021: net foreign exchange gains of RMB1.04 billion) due to fluctuation in market exchange rates.

## Property Development

In the first half of 2022, the contracted property sales of the Group Series of Companies was RMB138.50 billion and the corresponding GFA sold was 6.26 million sq m.

### Contracted Property Sales Amount By Month\*

RMB billion



\* Representing the Group Series of Companies



## Management Discussion & Analysis (Continued)

### Property Development (Continued)

In the first half of 2022, the Group Series of Companies' contracted property sales and the corresponding GFA sold by region are as follows:

	Contracted property sales (RMB billion)	Proportion	GFA sold ('000 sq m)	Proportion
Southern Region	24.21	17.5%	856	13.7%
Eastern Region	21.07	15.2%	849	13.6%
Central and Western Region	9.81	7.1%	754	12.0%
Northern Region	38.00	27.4%	1,167	18.6%
Hong Kong, Macau and Overseas Region	11.04	8.0%	63	1.0%
<b>Sub-total for the Company and its subsidiaries</b>	<b>104.13</b>	<b>75.2%</b>	<b>3,689</b>	<b>58.9%</b>
Joint ventures and associates of the Company	13.55	9.8%	583	9.3%
COGO	20.82	15.0%	1,992	31.8%
<b>Total</b>	<b>138.50</b>	<b>100%</b>	<b>6,264</b>	<b>100%</b>

During the period, the Group's revenue from property development was RMB100.85 billion. The Group has always adhered to the core policy of cash flow management and the strengthening of sales proceeds collection, with sales proceeds collection in Beijing, Shenzhen, Guangzhou, Xiamen, Nanjing, Hangzhou, Jinan and Tianjin all exceeding RMB3.0 billion.

During the period, the net profit contribution from associates and joint ventures amounted to RMB1.56 billion. The major associate, COGO, recorded contracted property sales of RMB20.82 billion, revenue of RMB29.80 billion, and profit attributable to equity shareholders of RMB2.45 billion.

During the period, the Group Series of Companies (excluding COGO) completed a total project area of 7.53 million sq m in 29 cities in Mainland China.

## Management Discussion & Analysis (Continued)

### Property Development (Continued)

The table below shows the area of projects completed by region in the first half of 2022:

City	Total Area ('000 sq m)
<b>Southern Region</b>	
Foshan	455
Guangzhou	398
Changsha	391
Xiamen	190
Dongguan	120
Shenzhen	110
Zhuhai	104
Nanchang	21
<b>Sub-total</b>	<b>1,789</b>
<b>Eastern Region</b>	
Jinan	950
Ningbo	395
Suzhou	324
Nanjing	317
Qingdao	219
Yantai	200
Shanghai	162
<b>Sub-total</b>	<b>2,567</b>
<b>Central and Western Region</b>	
Taiyuan	385
Zhengzhou	287
Guiyang	227
Xi'an	224
Chongqing	118
Xinjiang	105
Chengdu	56
<b>Sub-total</b>	<b>1,402</b>



## Management Discussion & Analysis (Continued)

### Property Development (Continued)

The table below shows the area of projects completed by region in the first half of 2022: (Continued)

City	Total Area ('000 sq m)
<b>Northern Region</b>	
Beijing	734
Shijiazhuang	406
Tianjin	285
Changchun	129
Shenyang	124
Harbin	57
Dalian	34
<b>Sub-total</b>	<b>1,769</b>
<b>Total</b>	<b>7,527</b>

During the period, the Group acquired 21 land parcels in 13 cities in Mainland China, adding a total GFA of 3.58 million sq m to the land reserve (attributable interest of 3.46 million sq m). The total land premium was RMB48.01 billion (attributable interest of RMB45.67 billion).

## Management Discussion & Analysis (Continued)

### Property Development (Continued)

The table below shows the details of land parcels added in the first half of 2022:

City	Name of Development Project	Attributable Interest	Land Area ('000 sq m)	Total GFA ('000 sq m)
Beijing	Changping District Project	100%	60	216
Beijing	Daxing District Project	100%	23	85
Shanghai	Yangpu District Project	80%	34	170
Xiamen	Jimei District Project	100%	9	39
Chongqing	Yubei District Project	100%	59	162
Chengdu	Tianfu New Area Project #1	100%	38	110
Chengdu	Hi-tech Industrial Development Zone Project	100%	94	338
Chengdu	Tianfu New Area Project #2	100%	21	60
Changsha	Tianxin District Project	100%	131	339
Ningbo	Haishu District Project	100%	30	90
Nanjing	Jiangning District Project	100%	68	127
Guangzhou	Baiyun District Project	100%	25	116
Nanchang	Hi-tech Industrial Development Zone Project	100%	66	194
Beijing	Shijingshan District Project	99%	29	116
Xi'an	High-Tech Industrial Development Zone Project	100%	51	207
Beijing	Shunyi District Project	100%	158	311
Dalian	High-Tech Industrial Development Zone Project	100%	21	73
Qingdao	Huangdao District Project #1	100%	35	144
Qingdao	Huangdao District Project #2	100%	53	222
Ningbo	Jiangbei District Project	100%	80	291
Chengdu	Tianfu New Area Project #3	50%	47	170
<b>Total</b>			<b>1,132</b>	<b>3,580</b>



## Management Discussion & Analysis (Continued)

### Property Development (Continued)

At 30 June 2022, the Group Series of Companies (excluding COGO) had a total land reserve of 47.05 million sq m (attributable interest of 40.95 million sq m).

During the period, the major associate, COGO, increased its land reserve by 1.01 million sq m. At 30 June 2022, COGO's total land reserve was 27.34 million sq m (attributable interest of 23.54 million sq m).

The total land reserve of the Group Series of Companies reached 74.39 million sq m.

### Property Investment

The Group will consistently develop its commercial properties and build an integrated urban ecosystem with a diversified portfolio of commercial assets to ensure future revenue growth.

In the first half of the year, the continued prevalence of COVID-19 created a challenging business environment. The Group is committed to improving asset value through active asset management, strengthening the growth resilience of its diversified asset portfolio, and realising steady growth in its sustainable revenue, to provide long-term economic value for shareholders. During the period, rental income from the Group's investment properties amounted to RMB2.44 billion, an increase of 7.5% as compared to the corresponding period last year, maintaining the trend of performance growth, of which rental income from office buildings amounted to RMB1.75 billion, an increase of 0.7% as compared to the corresponding period last year; while rental income from shopping malls amounted to RMB640 million, an increase of 23.3% as compared to the corresponding period last year.

The gain arising from changes in fair value of investment properties amounted to RMB2.50 billion, an increase of 23.2% as compared to the corresponding period last year. The net gains after tax attributable to equity shareholders of the Company amounted to RMB1.78 billion, an increase of 14.9% as compared to the corresponding period last year.

## Management Discussion & Analysis (Continued)

### Property Investment (Continued)

During the period, seven commercial properties held by the Group in operation were newly added, with an additional GFA of 380,000 sq m, achieving rapid growth in the commercial properties portfolio. The newly added commercial properties in operation in the first half of 2022 are listed below:

Name of property	Type	City	Total GFA ('000 sq m)
Asian Games City Plaza	Shopping Mall	Guangzhou	49
Jin'an Uni ELITE	Shopping Mall	Beijing	31
China Overseas Fortune Center Tower B	Office Building	Beijing	71
Renaissance Zhuhai Hotel	Hotel	Zhuhai	82
The COLI Hotel	Hotel	Fuzhou	60
Ascott Hotel	Hotel	Chengdu	44
Unilive Apartment (Tianfu International)	Long-term Leased Apartment	Chengdu	47
<b>Total</b>			<b>384</b>

### Other Operations

During the period, the Group's revenue from other operations amounted to RMB500 million, of which income from hotels and other commercial properties was RMB210 million.

### Liquidity, Financial Resources and Debt Structure

The Group continues to adhere to the principle of prudent financial fund management, adhere to cash flow management as the core policy, adhere to the "centralised management; unified arrangement" of funds; firmly believes that sales proceeds are the solidest and most reliable source of working capital; and continues to be focused on signing contracts, facilitating cash collection, accelerating fund returns, reducing costs and controlling expenses, and strengthening resource protection. 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 a "green category" enterprise.



## Management Discussion & Analysis (Continued)

### Liquidity, Financial Resources and Debt Structure (Continued)

The overall financial position of the Group was satisfactory. At 30 June 2022, the net current assets were RMB394.53 billion, the current ratio was 2.4 times and the weighted average borrowing cost was 3.44%, among the lowest in the industry.

The Group continued 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 signed two new five-year, fixed-interest offshore loans, with a total value of RMB4.0 billion, and issued a total of RMB18.0 billion of onshore bonds, including the successful issuance of an 18-year bond of totalling RMB5.0 billion commercial mortgage-backed securities products, being the largest-ever domestic green carbon neutrality bond in Mainland China at the time of issuance, with the lowest issuance interest rate of comparable products; RMB6.0 billion of corporate bonds; and RMB7.0 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 replenished its operating capital.

During the period, the Group raised funds from onshore and offshore debt financing amounted to RMB52.92 billion. Total repayment of matured debt amounted to RMB32.62 billion. Sales proceeds collection was RMB85.04 billion and other operating cash collection was RMB5.39 billion. Total operating cash collection amounted to RMB90.43 billion. Total capital expenditure payments for the Group were RMB89.91 billion (of which RMB47.07 billion for land costs and RMB42.84 billion for construction expenditure). At the end of June 2022, unpaid land premium of the Group was RMB29.54 billion while bank and other borrowings, and guaranteed notes and corporate bonds due to mature in the second half of the year amounted to RMB20.14 billion.

## Management Discussion & Analysis (Continued)

### Liquidity, Financial Resources and Debt Structure (Continued)

At 30 June 2022, the Group had bank and other borrowings amounted to RMB172.21 billion while guaranteed notes and corporate bonds amounted to RMB97.61 billion. Total debt amounted to RMB269.82 billion, of which RMB42.12 billion will be matured within a year, accounting for 15.6% of total debt. Among the total debt, 61.9% was denominated in Renminbi, 21.7% was denominated in Hong Kong dollars, 15.8% was denominated in US dollars and 0.6% was denominated in Pounds Sterling. The fixed-rate debt accounted for 47.3% of total interest-bearing debt while the remaining were floating-rate debt.

At 30 June 2022, the Group's available funds amounted to RMB182.69 billion comprising bank balances and cash of RMB125.32 billion and unused banking facilities of RMB57.37 billion. Among the bank balances and cash, 92.5% was denominated in Renminbi, 6.3% was denominated in Hong Kong dollars, 0.8% was denominated in US dollars, 0.3% 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 of RMB23.82 billion.

In the first half of 2022, Mainland China adhered to an independent monetary policy and cut interest rates twice in succession to grow and develop the real economy. Inflation in the United States has remained high. The Federal Reserve has raised interest rates three times since March, and is expected to further raise interest rates in the second half of the year. At the same time, the US dollar exchange rate continued to climb, to its highest level in nearly two decades, while the RMB depreciated in the second quarter, and is expected to undergo the pressure of further depreciation through the year. The Group's exchange rate management is mainly natural hedging, and it has not participated in any speculative trading of derivative financial instruments thus far but will carefully consider whether to conduct currency and interest rate swaps at an appropriate time to hedge against corresponding risks. The Board of Directors believes that the Group's interest-rate and exchange-rate risks are relatively controllable.

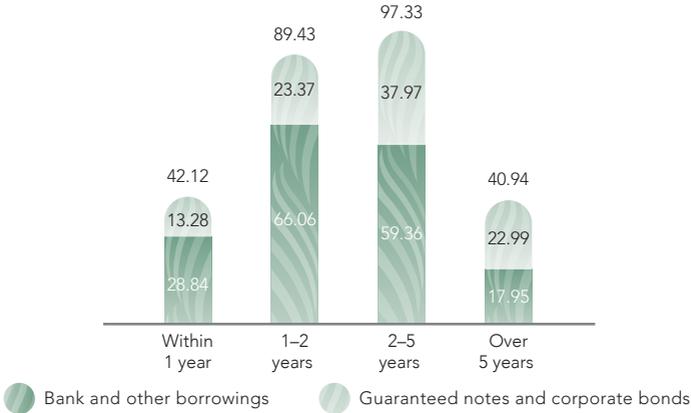
# Management Discussion & Analysis (Continued)

## Liquidity, Financial Resources and Debt Structure (Continued)

### Interest-Bearing Debt Maturity Profile

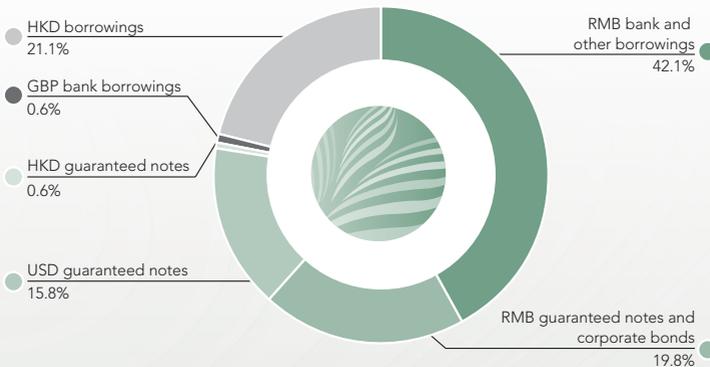
At 30 June 2022

RMB billion



### Interest-Bearing Debt by Currency

At 30 June 2022



## Management Discussion & Analysis (Continued)

### Contingent Liabilities

At 30 June 2022, the Group provided guarantees amounting to RMB78.59 billion for the repayment of bank mortgage loans granted to purchasers of the Group's properties. The Group had counter indemnities amounting to RMB1.59 billion for guarantees issued in respect of certain construction contracts undertaken by the Group.

In addition, at 30 June 2022, the Group had provided guarantees to banks amounting to RMB315 million and RMB7.89 billion in respect of credit facilities granted and utilised by the Group's associates and joint ventures respectively.

The Group has never incurred any loss in the past as a result of granting such guarantees.

### Charge of Assets

At 30 June 2022, certain of the Group's assets with carrying values of RMB50.56 billion have been pledged to secure its bank borrowings, guaranteed notes and corporate bonds.

### 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 2022, the Group achieved great results in the fields of corporate governance, environmental protection, and responding to capital market for strengthening external disclosures and others.



## Management Discussion & Analysis (Continued)

### Sustainable Development (Continued)

The Group has published the 2021 Environmental, Social and Governance Report, and announced that “climate change risk” and “ESG risk” were included into its risk database and they were incorporated into its corporate risk management framework, which has become one of the major strategic, planning and positioning risks of the Company. During the period, the Group gradually refined the climate-related disclosures of the Proposals on Task Force on Climate-related Financial Disclosures (TCFD), carried out scenario analysis on climate change regarding physical and transition risks, understood the impacts of climate change on the Group’s business based on exposure and sensitivity in different scenarios, and identified high-risk areas, thereby formulating appropriate plans for climate change.

As a leading enterprise in the comprehensive real estate industry, we have been actively responding to Mainland China’s “14th Five-Year Plan” and “3060” goals of achieving carbon peak and carbon neutrality, we have formulated COLI Dual Carbon Plans (《中海發展雙碳規劃》) while extending in both directions to fully integrate the concept of green and low-carbon development into its overall development strategy. By identifying suitable low-carbon technology initiatives specific to investment, development and operation stages, we fully integrated the green and low-carbon concept into the Group’s overall development strategy, so as to refine, substantiate and accomplish the targets of achieving carbon peak and carbon neutrality, sticking to the strategic goal of “To be an Exceptional Global Property Development Corporation”. On the financing side, the Group successfully issued 18-year (3+3+3+3+3 years) green commercial mortgage-backed securities (CMBS) products of RMB5.0 billion in April 2022, with a coupon rate of 3.35%, which was the largest-ever domestic green carbon neutrality bond in Mainland China at the time of issuance.

During the period, the Group added 9 projects that passed the National Green Building Certification with a total GFA of 1.18 million sq m, bringing the cumulative number to 513 projects with a total GFA of 93.03 million sq m, of which Beijing China Overseas Fortune Center has obtained WELL V2 CORE platinum certification, and the main tower of Tianjin City Plaza Phase IV has obtained LEED gold pre-certification. In addition, the Group participated in the preparation of the national standard “Zero Carbon Building Technology Standards”, and led the demonstration and empowered the industry through the construction of the first domestic near-zero-carbon 5A-level headquarters building in Houhai, Shenzhen, supporting the national “dual carbon” strategy with actions.

## Management Discussion & Analysis (Continued)

### Sustainable Development (Continued)

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 scheme for senior management and core technical personnel. The share options scheme was 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 2022, the Group launched four series of training programmes, namely, "Leading Lectures", "Golden Lectures", "Team Workshop" and "Book Sharing Sessions". 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 the selection of native agricultural product and creating a new brand focusing on highland barley by cooperating with the local government. The Group participated in the whole process of brand creation including trademark registration, package design and production, brand creation, production and processing, quality control, online and offline promotion of the product.

## Progress on Sustainability Targets for 2019–2023 in 1H2022

### Good Citizen Sustainable Design and Construction



**Vision** Put environmental and social benefits first when designing products, services and business management model, and assist the country and society in coping with sustainability and climate change challenges

<b>Progress</b>	<b>Energy efficiency and greenhouse gas emissions</b>	<p>Commercial projects</p> <ul style="list-style-type: none"> <li>Achieved 100% coverage of energy consumption information platform in self-owned office building and shopping mall projects</li> <li>Completed the comprehensive carbon audit of COLI</li> <li>Formulating the Dual Carbon Plans of COLI (《中海發展雙碳規劃》)</li> <li>Completed the first draft of China Overseas Green and Healthy Residential Property Standards</li> </ul>
	<b>Land risk and biodiversity</b>	<ul style="list-style-type: none"> <li>Land risk screening was carried out before land acquisition for each project to analyse the risk factors related to the ecological environment such as geological terrain, soil risk, environmental pollution and special protection and identify the environmental risks of the project plot and its surrounding areas</li> </ul>
	<b>Regional economy and rural revitalisation</b>	<ul style="list-style-type: none"> <li>During the period, the Group continued to facilitate rural revitalisation in three counties in Gansu Province, namely Zhuoni County, Kangle County and Kang County, assisting in selection of native agricultural product and creating a new product focusing on highland barley under the brand series of “Vale of Clouds”, by cooperating with local government.</li> </ul>
	<b>Green lease</b>	<ul style="list-style-type: none"> <li>100% of new office tenants signed the COOC green lease cooperation plan</li> </ul>
	<b>Green finance</b>	<ul style="list-style-type: none"> <li>Issued 18-year (3+3+3+3+3 years) green commercial mortgage-backed securities (CMBS) products of RMB5.0 billion in April 2022, with a coupon rate of 3.35%, which was the largest-ever domestic green carbon neutrality bond in Mainland China at the time of issuance.</li> </ul>

## Good Products Creating Enjoyable Space



### Vision

Adhere to the principle of “Each and Every Detail of Each and Every Project” in conjunction with modern living and working patterns to create new communities integrating functional, healthy and humanistic elements

### Progress

- |  |  |
|--|--|
| <b>Green and sustainable buildings</b>                   | <ul style="list-style-type: none"> <li>• In the first half of 2022, 9 projects obtained green building certification, with a corresponding total GFA of 1.18 million sq m, bringing the cumulative number to 513 projects with a total GFA of 93.03 million sq m. Awards and certifications received included:                             <ul style="list-style-type: none"> <li>• 9 WELL HRS certifications for projects under construction</li> <li>• 20 LEED certifications</li> <li>• Beijing China Overseas Fortune Center has obtained the WELL V2 CORE platinum certification</li> </ul> </li> </ul> |
| <b>Infrastructure and supporting services</b>            | <ul style="list-style-type: none"> <li>• In the first half of 2022, affordable housing of a total floor area of 1,051,000 sq m was under construction, total area constructed was 3,757,000 sq m</li> </ul>  |
| <b>Community integration and coordinated development</b> | <ul style="list-style-type: none"> <li>• In the first half of 2022, baby care rooms were set up in 100% of shopping malls under operation and 80% of newly developed hotel projects</li> <li>• High-standard senior living projects were developed, and nearly 1,000 elderly care beds were invested and operated in Tianjin, Jinan, Qingdao and Wuxi as of the first half of 2022</li> </ul>  |

## Good Services Full-cycle Customer Service



### Vision

Continuously improve customer satisfaction and strive to be an industry leader in customer relationship management

### Progress

- In the first half of 2022, the Company achieved customer satisfaction scores of 88%
- We launched the customer service homepage of the Happy Home mini program to increase the channels for customers to report and complain

## Good Effectiveness Creating Shared Value



**Vision** To enhance COLI's value creation capabilities and expedite the progress of sustainability by matching current social needs with COLI's competitive strengths and actively expanding internal and external cooperation

<b>Progress</b>	<p><b>Improve corporate governance</b></p> <ul style="list-style-type: none"> <li>100% of the Company's management and employees (including employees of regional companies, project companies, joint ventures and associates) sign the Work Integrity Responsibility Statement on a yearly basis</li> <li>50% of senior and middle-level employees of the headquarters and companies at all levels received integrity education and training</li> <li>100% of business partners (including suppliers and contractors) signed the Integrity Agreement and their corporate credit and integrity records were checked during the Company's procurement process</li> </ul> <hr/> <p><b>Build effective teams</b></p> <ul style="list-style-type: none"> <li>We aim to bring down the employee male to female ratio to 2:1 by improving the new employee male to female ratio</li> <li>The average training hours per employee was 39 hours</li> <li>Maintained 100% physical examination and supplementary medical insurance coverage for employees</li> <li>100% of the Company has established labor unions, and in the first half of 2022, more than 600 employee activities have been carried out</li> </ul> <hr/> <p><b>Promote cross-industry cooperation</b></p> <ul style="list-style-type: none"> <li>The shopping malls cooperated with the WWF (World Wildlife Fund) to carry out the "Earth Hour" environmental protection cross-industry activity</li> <li>Completed the teaching and promotion of relevant environmental protection courses for all education projects</li> <li>Actively respond to climate change-related initiatives, participate in relevant seminars, etc</li> </ul> <hr/> <p><b>Management system certification</b></p> <ul style="list-style-type: none"> <li>Completed a total of 18 management system certifications (including certification of ISO9001 quality management system, ISO14001 environmental management system and ISO45001 occupational health and safety management system and others)</li> </ul>
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## Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Revenue</b>	6	<b>103,789,157</b>	107,879,151
Direct operating costs		<b>(79,442,813)</b>	(77,089,512)
		<b>24,346,344</b>	30,789,639
Other income and gains, net	7	<b>551,806</b>	2,112,378
Gain arising from changes in fair value of investment properties		<b>2,504,201</b>	2,033,220
Selling and distribution expenses		<b>(1,740,282)</b>	(1,871,877)
Administrative expenses		<b>(1,530,837)</b>	(1,666,921)
<b>Operating profit</b>		<b>24,131,232</b>	31,396,439
Share of profits and losses of			
Associates		<b>1,035,994</b>	1,315,738
Joint ventures		<b>520,727</b>	232,739
Finance costs	8	<b>(526,111)</b>	(416,866)
<b>Profit before tax</b>		<b>25,161,842</b>	32,528,050
Income tax expenses	9	<b>(7,568,069)</b>	(10,560,747)
<b>Profit for the period</b>	10	<b>17,593,773</b>	21,967,303
Attributable to:			
Owners of the Company		<b>16,742,941</b>	20,778,666
Non-controlling interests		<b>850,832</b>	1,188,637
		<b>17,593,773</b>	21,967,303
		<b>RMB</b>	RMB
<b>EARNINGS PER SHARE</b>	11		
Basic		<b>1.53</b>	1.90
Diluted		<b>1.52</b>	1.90

## Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>17,593,773</b>	21,967,303
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translation of subsidiaries of the Company	(333,044)	(223,833)
Exchange differences on translation of associates	(325,197)	77,790
	<b>(658,241)</b>	(146,043)
<b>Other comprehensive income for the period</b>	<b>(658,241)</b>	(146,043)
<b>Total comprehensive income for the period</b>	<b>16,935,532</b>	21,821,260
Total comprehensive income attributable to:		
Owners of the Company	<b>16,089,480</b>	20,632,623
Non-controlling interests	<b>846,052</b>	1,188,637
	<b>16,935,532</b>	21,821,260

## Condensed Consolidated Statement of Financial Position

		30 June 2022	31 December 2021
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Non-current Assets</b>			
Property, plant and equipment		6,697,025	5,524,471
Investment properties	13	176,325,712	166,204,097
Goodwill		56,395	56,395
Interests in associates		18,470,700	17,862,412
Interests in joint ventures		22,726,769	22,708,422
Financial asset at fair value through profit or loss		155,313	120,228
Other receivables		323,830	366,255
Deferred tax assets		7,753,922	8,107,614
		<b>232,509,666</b>	220,949,894
<b>Current Assets</b>			
Stock of properties and other inventories		474,773,458	450,620,363
Land development expenditure		12,822,927	12,388,697
Trade and other receivables	14	7,122,217	8,244,489
Contract assets		2,353,108	926,912
Deposits and prepayments		12,699,294	11,393,943
Deposits for land use rights for property development		1,105,116	1,020,286
Amounts due from fellow subsidiaries		62,490	62,490
Amounts due from associates		6,835,529	6,036,539
Amounts due from joint ventures		8,605,449	11,428,036
Amounts due from non-controlling shareholders		4,741,564	3,739,048
Tax prepaid		14,683,111	12,139,810
Bank balances and cash		125,321,143	130,956,191
		<b>671,125,406</b>	648,956,804

## Condensed Consolidated Statement of Financial Position (Continued)

		30 June 2022	31 December 2021
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Current Liabilities</b>			
Trade and other payables	15	84,094,224	90,054,871
Pre-sales proceeds		86,977,917	100,455,190
Dividend payable	12	7,078,713	–
Amounts due to fellow subsidiaries and a related company		3,627,726	3,967,806
Amounts due to associates		1,645,908	1,872,114
Amounts due to joint ventures		4,733,790	5,962,081
Amounts due to non-controlling shareholders		12,264,229	7,534,562
Lease liabilities – due within one year		243,034	260,902
Tax liabilities		33,808,633	39,172,639
Bank and other borrowings – due within one year		28,844,740	38,220,634
Guaranteed notes and corporate bonds – due within one year	17	13,276,524	6,399,786
		<b>276,595,438</b>	<b>293,900,585</b>
<b>Net Current Assets</b>		<b>394,529,968</b>	<b>355,056,219</b>
<b>Total Assets Less Current Liabilities</b>		<b>627,039,634</b>	<b>576,006,113</b>
<b>Capital and Reserves</b>			
Share capital	16	74,035,443	74,033,624
Reserves		278,772,348	269,526,551
Equity attributable to owners of the Company		352,807,791	343,560,175
Non-controlling interests		18,113,521	13,546,179
<b>Total Equity</b>		<b>370,921,312</b>	<b>357,106,354</b>
<b>Non-current Liabilities</b>			
Lease liabilities – due after one year		1,090,255	371,424
Bank and other borrowings – due after one year		143,359,792	124,091,050
Guaranteed notes and corporate bonds – due after one year	17	84,338,358	73,210,824
Deferred tax liabilities		27,329,917	21,226,461
		<b>256,118,322</b>	<b>218,899,759</b>
<b>Total Equity and Non-Current Liabilities</b>		<b>627,039,634</b>	<b>576,006,113</b>

## Condensed Consolidated Statement of Changes in Equity

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Translation reserve	Merger and other reserves	PRC statutory reserve	Retained profits	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		(Note (a))	(Note (b))						
At 1 January 2021	74,033,624	396,398	(11,623,597)	10,364,711	240,975,395	314,146,531	14,202,789	328,349,320	
Profit for the period	-	-	-	-	20,778,666	20,778,666	1,188,637	21,967,303	
Exchange differences on translation of subsidiaries of the Company	-	(223,833)	-	-	-	(223,833)	-	(223,833)	
Exchange differences on translation of associates	-	77,790	-	-	-	77,790	-	77,790	
Total comprehensive income for the period	-	(146,043)	-	-	20,778,666	20,632,623	1,188,637	21,821,260	
2020 final dividend (Note 12)	-	-	-	-	(6,664,221)	(6,664,221)	-	(6,664,221)	
Dividends to non-controlling shareholders	-	-	-	-	-	-	(1,305,539)	(1,305,539)	
Contributions from non-controlling shareholders	-	-	-	-	-	-	5,188	5,188	
Return of capital to non-controlling shareholders	-	-	-	-	-	-	(865,382)	(865,382)	
Equity settled share-based transactions	-	-	129,100	-	-	129,100	-	129,100	
Capital contribution relating to share-based payments borne by an intermediate holding company	-	-	746	-	-	746	-	746	
Acquisition of additional interest of a subsidiary	-	-	-	-	(81,221)	(81,221)	(32,935)	(114,156)	
Shares repurchased (Note 16)	-	-	-	-	(109,331)	(109,331)	-	(109,331)	
Transfer to PRC statutory reserve	-	-	-	25,475	(25,475)	-	-	-	
At 30 June 2021	74,033,624	250,355	(11,493,751)	10,390,186	254,873,813	328,054,227	13,192,758	341,246,985	

## Condensed Consolidated Statement of Changes in Equity (Continued)

	Unaudited							
	Attributable to owners of the Company							
	Share capital	Translation reserve	Merger and other reserves	PRC statutory reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note (a))	(Note (b))					
At 1 January 2022	74,033,624	417,622	(11,508,573)	10,834,104	269,783,398	343,560,175	13,546,179	357,106,354
Profit for the period	-	-	-	-	16,742,941	16,742,941	850,832	17,593,773
Exchange differences on translation of subsidiaries of the Company	-	(328,264)	-	-	-	(328,264)	(4,780)	(333,044)
Exchange differences on translation of associates	-	(325,197)	-	-	-	(325,197)	-	(325,197)
Total comprehensive income for the period	-	(653,461)	-	-	16,742,941	16,089,480	846,052	16,935,532
2021 final dividend (Note 12)	-	-	-	-	(7,018,822)	(7,018,822)	-	(7,018,822)
Dividends to non-controlling shareholders	-	-	-	-	-	-	(313,466)	(313,466)
Contributions from non-controlling shareholders	-	-	-	-	-	-	1,911,092	1,911,092
Return of capital to non-controlling shareholders	-	-	-	-	-	-	(426,592)	(426,592)
Equity settled share-based transactions	-	-	60,100	-	-	60,100	-	60,100
Acquisition of subsidiaries	-	-	-	-	-	-	2,550,256	2,550,256
Exercise of share option under share option scheme (Note 16)	1,819	-	(358)	-	-	1,461	-	1,461
Transfer to PRC statutory reserve	-	-	-	13,017	(13,017)	-	-	-
Others	-	-	-	-	115,397	115,397	-	115,397
At 30 June 2022	74,035,443	(235,839)	(11,448,831)	10,847,121	279,609,897	352,807,791	18,113,521	370,921,312

### Notes:

- (a) The reserves mainly represent the merger reserve arising from the acquisition of subsidiaries in 2015 by the Group from China State Construction Engineering Corporation Limited and in 2016 from CITIC Limited, which are all state-owned entities and are under common control of the State Council of the People's Republic of China ("PRC"). Other reserves include share option reserve and property revaluation reserve. Share option reserve represents the fair value of share options granted that are yet to be exercised. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited/lapsed.
- (b) PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries which was established in accordance with the relevant PRC regulations.

## Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Operating cash flows before movements in working capital	<b>20,703,167</b>	27,761,188
Interest Received	<b>1,072,728</b>	913,307
Decrease in stock of properties and other inventories, and deposits for land use rights for property development	<b>6,219,763</b>	9,423,335
Decrease/(increase) in trade and other receivables, and deposits and prepayments	<b>187,721</b>	(22,353,943)
(Increase)/decrease in contract assets	<b>(1,426,196)</b>	1,446,012
Decrease in trade and other payables and pre-sales proceeds	<b>(32,610,847)</b>	(1,760,940)
Other movements in working capital	<b>141,482</b>	2,638,762
Cash (used in)/generated from operations	<b>(5,712,182)</b>	18,067,721
Income taxes paid	<b>(15,391,153)</b>	(13,642,736)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(21,103,335)</b>	4,424,985
<b>INVESTING ACTIVITIES</b>		
Dividends received from associates	<b>6,000</b>	238,254
Dividends received from joint ventures	–	95,880
Additions of investment properties	<b>(3,268,826)</b>	(3,736,840)
Advances to associates	<b>(789,865)</b>	(2,761,212)
Repayment from associates	<b>1,116,658</b>	283,730
Acquisition of subsidiaries	<b>(3,757,260)</b>	–
Advances to joint ventures	<b>(318,418)</b>	(566,730)
Repayment from joint ventures	<b>3,864,286</b>	563,829
Capital contributions to joint ventures	<b>(290,165)</b>	(44,215)
Other investing cash flows	<b>2,539,403</b>	1,406,370
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(898,187)</b>	(4,520,934)

## Condensed Consolidated Statement of Cash Flows (Continued)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>FINANCING ACTIVITIES</b>		
Interest paid	(4,220,981)	(3,619,913)
Dividends paid to non-controlling shareholders	(313,466)	(1,425,863)
New bank and other borrowings raised	34,916,162	30,984,346
Repayment of bank and other borrowings	(30,588,240)	(18,270,617)
Issue of guaranteed notes and corporate bonds	18,000,000	7,602,000
Redemption of guaranteed notes and corporate bonds	(2,034,160)	(3,404,160)
Repayment to non-controlling shareholders	(1,246,244)	(3,395,533)
Advances from non-controlling shareholders	1,200,024	63,720
Contributions from non-controlling shareholders	1,918,561	5,188
Repayment to joint ventures	(691,221)	(133,922)
Advances from joint ventures	126,137	871,176
Other financing cash flows	(921,942)	311,156
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>16,144,630</b>	<b>9,587,578</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,856,892)</b>	<b>9,491,629</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>129,861,401</b>	<b>107,664,125</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>462,478</b>	<b>(126,595)</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>124,466,987</b>	<b>117,029,159</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash as per condensed consolidated statement of financial position	125,321,143	117,426,866
Less: restricted bank deposits	(854,156)	(397,707)
	<b>124,466,987</b>	<b>117,029,159</b>

# Notes to the Condensed Consolidated Financial Statements

## 1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Company's immediate parent company is China Overseas Holdings Limited ("COHL"), a company incorporated in Hong Kong, and its ultimate holding company is 中國建築集團有限公司 (China State Construction Engineering Corporation\*, "CSCEC"), an entity established in the PRC and the PRC government is a substantial shareholder of CSCEC. The registered office and principal place of business of the Company are situated at 10/F, Three Pacific Place, 1 Queen's Road East, Hong Kong. The Group's business activities are principally carried out in Hong Kong, Macau, Guangzhou, Shenzhen, Shanghai, Beijing, Tianjin, Jinan, Nanjing, Suzhou, Chengdu, Changsha, Foshan, Xiamen and other regions in Mainland China.

The Group, comprising the Company and its subsidiaries, is principally engaged in property development and investment, and other operations.

The Company's functional currency is Renminbi ("RMB") and the condensed consolidated financial statements are presented in RMB as the directors of the Company consider that RMB is the appropriate presentation currency for the users of the Group's condensed consolidated financial statements.

These condensed consolidated financial statements are unaudited. It was approved and authorised for issue by the Board of Directors of the Company on 24 August 2022.

## 2. Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosures provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial statements should be read in conjunction with the Group's 2021 annual financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial asset at fair value through profit or loss, which are measured at fair values.

\* English translation for identification purpose only

### 2. Basis of Preparation (Continued)

The financial information relating to the year ended 31 December 2021 included in the condensed consolidated financial statements for the six months ended 30 June 2022 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 2021 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.

### 3. Application of Revised HKFRSs

The accounting policies applied are consistent with those of the Group's annual financial statements for the year ended 31 December 2021 as described in those annual financial statements, except for the adoption of amendments effective for the financial year ending 31 December 2022.

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 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41</i>

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

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 3. Application of Revised HKFRSs (Continued)

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

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>2</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>1,4</sup>
Amendments to HKFRS 17	<i>Insurance Contracts</i> <sup>1,4</sup>
Amendments to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> <sup>1</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> <sup>1,3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> <sup>1</sup>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> <sup>1</sup>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> No mandatory effective date yet determined but available for early adoption

<sup>3</sup> 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

<sup>4</sup> As a consequence of the amendments to HKFRS 17 issued in October 2020, the effective date of HKFRS 17 was deferred to 1 January 2023, and HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

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

## 4. Financial Risk Management

In the normal course of business, the Group is exposed to financial risks attributable to interest rates, foreign currency, credit, liquidity and fair value.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2021 annual financial statements.

There have been no significant changes in the risk management department, policies and procedures since the end of last year.

### Fair value of financial liabilities measured at amortised cost

The following table present the carrying amounts of the Group's financial instruments carried at amortised cost which were different from their fair values at the end of the reporting period. The carrying amount of remaining financial assets and financial liabilities recorded at amortised cost approximate their fair values.

	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Guaranteed notes and corporate bonds	97,614,882	96,791,992	79,610,610	84,153,018

The fair value of guaranteed notes and corporate bonds is measured at quoted market prices and are within level 1 of the three-level fair value hierarchy.

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 5. Estimates

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

### 6. 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 rentals
Other operations	–	hotel operations, provision of construction and building design consultancy services and others

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 6. Revenue and Results (Continued)

#### 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 2022 – 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	90,252,936	–	–	90,252,936
– Recognised over time	10,596,136	–	500,401	11,096,537
	100,849,072	–	500,401	101,349,473
Revenue from other sources				
– Rental income	–	2,439,684	–	2,439,684
Segment revenue – External	100,849,072	2,439,684	500,401	103,789,157
Segment profit (including share of profits and losses of associates and joint ventures)	23,251,353	4,027,962	45,333	27,324,648

#### *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

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 6. Revenue and Results (Continued)

#### Reconciliation of reportable segment profits to the consolidated profit before tax

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

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reportable segment profits	<b>27,324,648</b>	31,374,364
Unallocated items:		
Interest income on bank deposits	<b>868,306</b>	742,496
Corporate expenses	<b>(113,819)</b>	(210,003)
Finance costs	<b>(526,111)</b>	(416,866)
Net foreign exchange (losses)/gains recognised in the condensed consolidated income statement	<b>(2,391,182)</b>	1,038,059
Consolidated profit before tax	<b>25,161,842</b>	32,528,050

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 7. Other Income and Gains, Net

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income and gains, net include:		
Interest income on bank deposits	<b>868,306</b>	742,496
Interest income on amounts due from fellow subsidiaries, associates, joint ventures and non-controlling shareholders	<b>220,585</b>	107,035
Other interest income	<b>83,185</b>	50,379
Total interest income	<b>1,172,076</b>	899,910
Net foreign exchange (losses)/gains	<b>(2,928,710)</b>	1,038,059
Add: Exchange losses arising from foreign currency debt capitalised	<b>537,528</b>	–
Net foreign exchange (losses)/gains recognised in the condensed consolidated income statement	<b>(2,391,182)</b>	1,038,059
Re-measurement gain on pre-existing interest in an associate upon acquisition	<b>1,251,160</b>	–
Provisional gain on bargain purchase of subsidiaries	<b>1,236,618</b>	–

### 8. Finance Costs

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings, guaranteed notes and corporate bonds	<b>4,471,065</b>	3,788,691
Interest on amounts due to fellow subsidiaries and a related company, associates, joint ventures and non-controlling shareholders	<b>268,531</b>	158,287
Interest on lease liabilities and other finance costs	<b>102,380</b>	85,260
Total finance costs	<b>4,841,976</b>	4,032,238
Less: Amount capitalised	<b>(4,315,865)</b>	(3,615,372)
	<b>526,111</b>	416,866

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 9. Income Tax Expenses

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Corporate Income Tax ("CIT")	<b>4,650,231</b>	6,338,073
PRC Land Appreciation Tax ("LAT")	<b>1,293,342</b>	3,080,759
PRC withholding income tax	<b>14,839</b>	153,642
Hong Kong profits tax	<b>21,230</b>	185,392
Macau income tax	<b>1,798</b>	13,392
Others	<b>10,151</b>	8,092
	<b>5,991,591</b>	9,779,350
Deferred tax:		
Current period	<b>1,576,478</b>	781,397
Total	<b>7,568,069</b>	10,560,747

Under the Law of PRC on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of PRC subsidiaries is 25% (2021: 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% (2021: 16.5%) of the estimated assessable profit for the period.

Macau income tax is calculated at the prevailing tax rate of 12% (2021: 12%) in Macau.

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 10. Profit for the Period

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation		
– Right-of-use assets	169,007	184,949
– Other property, plant and equipment	120,975	57,207
Staff costs including benefits and interests of directors ( <i>note 21(b)</i> )	1,446,003	1,578,628

### 11. 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	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Earnings for the purpose of calculation of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	16,742,941	20,778,666

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 11. Earnings Per Share (Continued)

#### Basic earnings per share

	Six months ended 30 June	
	2022	2021
	'000	'000
	(Unaudited)	(Unaudited)

#### Number of shares

Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<b>10,944,844</b>	10,945,221
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#### Diluted earnings per share

	Six months ended 30 June	
	2022	2021
	'000	'000
	(Unaudited)	(Unaudited)

#### Number of shares

Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<b>10,944,844</b>	10,945,221
Effect of dilution of share options under the Company's share option scheme – weighted average number of ordinary shares	<b>56,695</b>	3,125
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	<b>11,001,539</b>	10,948,346

## 12. Dividends

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Dividends recognised as distribution during the period</b>		
Final dividend of HK76 cents per share in respect of the financial year ended 31 December 2021 (2021: final dividend of HK73 cents per share in respect of the financial year ended 31 December 2020)	<b>7,018,822</b>	6,664,221

The interim dividend of HK40 cents per share in respect of six months ended 30 June 2022, amounting to approximately RMB3,800,064,000 was declared by the Board. The amount of 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.

## 13. Investment Properties

During the six months ended 30 June 2022, additions to investment properties amounted to RMB6,597,038,000 (2021: RMB5,165,391,000) and the gain arising from changes in fair value of investment properties amounted to RMB2,504,201,000 (2021: RMB2,033,220,000).

The fair values of the investment properties held by the Group at 30 June 2022 and 31 December 2021 have been arrived on the basis of a valuation carried out on that date by independent firms of professional valuers not connected with the Group, who have appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The current use of the investment properties equates to their highest and best use.

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 13. Investment Properties (Continued)

There was no change to the valuation techniques during the period.

Fair values of the Group's investment properties are categorised as level 3 measurement in the three-level fair value hierarchy. During the period, there were no transfers between different levels within the fair value hierarchy.

### 14. 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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables, aged		
0 – 30 days	<b>3,779,494</b>	5,059,654
31 – 90 days	<b>425,764</b>	326,623
Over 90 days	<b>614,244</b>	901,780
	<b>4,819,502</b>	6,288,057
Other receivables – current portion	<b>2,302,715</b>	1,956,432
	<b>7,122,217</b>	8,244,489

## 14. Trade and Other Receivables (Continued)

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 2021: Insignificant).

## 15. 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 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables, aged		
0 – 30 days	<b>18,621,138</b>	22,694,559
31 – 90 days	<b>5,559,983</b>	9,285,168
Over 90 days	<b>44,118,636</b>	40,959,622
	<b>68,299,757</b>	72,939,349
Other payables	<b>10,317,559</b>	11,486,856
Retentions payable	<b>5,476,908</b>	5,628,666
	<b>84,094,224</b>	90,054,871

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

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 16. Share Capital

	Number of shares '000	HK\$'000	RMB'000
<b>Issued and fully paid:</b>			
At 1 January 2021	10,953,185	90,420,438	74,033,624
Shares repurchased ( <i>Note (i)</i> )	(8,370)	–	–
At 30 June 2021	10,944,815	90,420,438	74,033,624
At 1 January 2022	<b>10,944,815</b>	<b>90,420,438</b>	<b>74,033,624</b>
Exercise of share option under share option scheme ( <i>Note (ii)</i> )	<b>69</b>	<b>2,203</b>	<b>1,819</b>
At 30 June 2022	<b>10,944,884</b>	<b>90,422,641</b>	<b>74,035,443</b>

Notes:

- (i) During the six months ended 30 June 2021, the Company repurchased a total of 8,370,000 of its shares on the Hong Kong Stock Exchange at an aggregate consideration of RMB109,331,000 (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 six months ended 30 June 2021. The total amount paid for the repurchase of the shares has charged to retained profits of the Company during the six months ended 30 June 2021.
- (ii) During the six months ended 30 June 2022, the subscription rights attaching to 68,500 share options were exercised at the subscription price of HK\$25.85 per share, resulting in the issue of 68,500 shares for a total cash consideration, before expenses, of HK\$1,770,000 (equivalent to RMB1,461,000). An amount of HK\$433,000 (equivalent to RMB358,000) was transferred from the share option reserve to share capital upon the exercise of share options under share option scheme.

### 16. Share Capital (Continued)

#### Share-based Payments

##### *Share Option Scheme of the Company*

On 29 June 2018, the Company offered to grant share options (the “2018 Share Options”) to certain eligible persons (collectively, the “2018 Options Grantees”), to subscribe for a total of 107,320,000 shares of the Company, subject to acceptance of the 2018 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018. Out of the 107,320,000 2018 Share Options granted, a total of 2,000,000 were granted to directors of the Company. The exercise price is HK\$25.85 per share.

One-third of the 2018 Share Options granted will be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022. The closing price of 2018 Share Options on the date of grant was HK\$25.85 per share.

On 24 November 2020, the Company offered to grant share options (the “2020 Share Options”) to certain eligible persons (collectively, the “2020 Options Grantees”), to subscribe for a total of 285,840,000 shares of the Company, subject to acceptance of the 2020 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018. Out of the 285,840,000 2020 Share Options granted, a total of 6,300,000 were granted to directors of the Company. The exercise price is HK\$18.724 per share.

One-third of the 2020 Share Options granted will be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024. The closing price of 2020 Share Options on the date of grant was HK\$17.96 per share.

On 11 November 2021, the Company offered to grant share options (the “2021 Share Options”) to certain eligible persons (collectively, the “2021 Options Grantees”), to subscribe for a total of 7,130,000 shares of the Company, subject to acceptance of the 2021 Options Grantees, under the share option scheme adopted by the Company on 11 June 2018. Out of the 7,130,000 2021 Share Options granted, a total of 1,600,000 were granted to a director of the Company. The exercise price is HK\$18.70 per share.

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 16. Share Capital (Continued)

#### Share-based Payments (Continued)

##### *Share Option Scheme of the Company (Continued)*

One-third of the 2021 Share Options granted will be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025. The closing price of 2021 Share Options on the date of grant was HK\$18.70 per share.

The fair values of the 2018 Share Options on 29 June 2018, the 2020 Share Options on 24 November 2020 and the 2021 Share Options on 11 November 2021 determined using the Binomial Options Pricing Model were HK\$6.36, HK\$2.64 and HK\$2.89 per share, respectively. The significant inputs adopted in the model include:

Risk-free rate	2018 Share Options: 2.12% with reference to the market yield rates of the Hong Kong Government Bond (maturing 21 June 2021 and 6 December 2021) as of 29 June 2018  2020 Share Options: 0.34% with reference to the market yield rates of the Hong Kong Government Bond (maturing 20 August 2025 and 27 August 2027) as of 24 November 2020  2021 Share Options: 1.42% with reference to the Hong Kong Dollar Swap Rate (5 years and 7 years) as of 11 November 2021
Historical volatility	31.91%, 31.89% and 31.31% calculated based on the historical price with a period equals to the life of the 2018, 2020 and 2021 Share Options, respectively
Dividend yield	3.09%, 5.68% and 6.31% based on the average dividend yield in the past six years for the 2018, 2020 and 2021 Share Options, respectively
Expected option life	6 years for all 2018, 2020 and 2021 Share Options

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 16. Share Capital (Continued)

#### Share-based Payments (Continued)

##### Share Option Scheme of the Company (Continued)

The Binomial Options Pricing Model for all share options requires input of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.

Set out below are movements of the share option under the Share Option Scheme during the period:

	2022		2021	
	Average exercise price per share HK\$	Number of share options	Average exercise price per share HK\$	Number of share options
At 1 January	20.44	370,280,000	20.47	378,860,000
Lapsed during the period	20.63	(8,460,000)	20.31	(7,220,000)
Cancelled during the period	25.85	(29,260,000)	–	–
Exercised during the period	25.85	(68,500)	–	–
At 30 June	19.96	332,491,500	20.48	371,640,000

No options were granted and expired during the period. The weighted average closing price of the shares immediately before the dates on which the share options were exercised was HK\$26.27 (2021: not applicable).

Share options outstanding at 30 June 2022 have the following expiry dates and exercise prices:

Grant Date	Expiry date	Exercise price per share HK\$	Number of share options	Weighted average remaining contractual life of options outstanding at end of the period
29 June 2018	28 June 2024	25.85	58,031,500	2 years
24 November 2020	23 November 2026	18.724	267,390,000	4.4 years
11 November 2021	10 November 2027	18.70	7,070,000	5.4 years
			332,491,500	

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 17. Guaranteed Notes and Corporate Bonds

During the six months ended 30 June 2022, the Group issued and redeemed the following guaranteed notes and corporate bonds:

Issue date	Principal amount (in million)	Issue price	Fixed interest rate per annum	Maturity date	Carrying amount at 30 June 2022 RMB'000
<b>Issued during the period:</b>					
14 January 2022	RMB1,800	100%	2.88% <sup>(i)</sup>	14 January 2025	1,800,000
14 January 2022	RMB1,200	100%	3.25% <sup>(i)</sup>	14 January 2027	1,200,000
23 February 2022	RMB1,000	100%	3.22% <sup>(i)</sup>	23 February 2027	1,000,000
29 March 2022	RMB5,001 <sup>(iii)/(v)</sup>	100%	3.35% <sup>(ii)</sup>	29 March 2040	5,000,000
7 April 2022	RMB2,000	100%	3.05% <sup>(i)</sup>	7 April 2025	2,000,000
7 April 2022	RMB1,000	100%	3.50% <sup>(i)</sup>	7 April 2027	1,000,000
10 May 2022	RMB1,500	100%	2.75% <sup>(i)</sup>	10 May 2025	1,500,000
10 May 2022	RMB1,500	100%	3.48% <sup>(i)</sup>	10 May 2027	1,500,000
27 May 2022	RMB2,000	100%	2.63% <sup>(i)</sup>	27 May 2025	2,000,000
27 May 2022	RMB1,000	100%	3.10% <sup>(i)</sup>	27 May 2027	1,000,000
<b>Repaid during the period upon redemption:</b>					
24 Jan 2019	RMB2,000 <sup>(iv)</sup>	100%	3.47% <sup>(i)</sup>	24 January 2025	-

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 17. Guaranteed Notes and Corporate Bonds (Continued)

Notes:

- (i) Interest is payable annually.
- (ii) Interest is payable semi-annually.
- (iii) Including RMB1 million of equity class securities, all of which were subscribed by 北京中海廣場商業發展有限公司 (Beijing China Overseas Plaza Commercial Development Ltd.\*), a wholly-owned subsidiary of the Group.
- (iv) The corporate bond with terms for granting the Group with redemption and adjustment of the interest rate options, and investors with sell back option at the end of every three years from issue date.
- (v) Representing green commercial mortgage-backed securities with terms for granting the Group with redemption and adjustment of the interest rate options, and investors with sell back option at the end of every three years from issue date. The securities are secured by certain investment properties and rental receivable of these investment properties.

\* English translation for identification purpose only

### 18. Capital Commitments

At the end of the reporting period, the Group had the following capital commitments not provided for in the consolidated financial statements:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Capital expenditure in respect of investment properties:		
Contracted but not provided for	<b>5,470,745</b>	7,575,572

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 19. Financial Guarantees

At the end of the reporting period, the financial guarantees were as follows:

- (a) Guarantees given by the Group to banks in respect of credit facilities granted to:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Associates		
– Maximum	<b>315,317</b>	336,000
– Utilised	<b>315,317</b>	336,000
Joint ventures		
– Maximum	<b>11,456,669</b>	9,370,568
– Utilised	<b>7,886,870</b>	6,272,950

- (b) At 30 June 2022, the Group had counter indemnities amounting to RMB1,592,669,000 (31 December 2021: RMB1,266,780,000) for guarantees issued in respect of certain construction contracts undertaken by the Group.
- (c) At 30 June 2022, the Group provided guarantees amounting to RMB78,589,385,000 (31 December 2021: RMB67,446,574,000) for the repayment of the mortgage bank loans granted to purchasers of the Group's properties.

The directors of the Company considered that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of short maturity periods and low applicable default rates.

## 20. Pledge of Assets

At the end of the reporting period, certain assets of the Group have been pledged to secure its bank borrowings, guaranteed notes and corporate bonds. The carrying values of the pledged assets at 30 June 2022 and 31 December 2021 were as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Investment properties	<b>50,345,546</b>	38,729,617
Stock of properties	<b>215,277</b>	136,179
	<b>50,560,823</b>	38,865,796

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 21. Related Party Transactions

- (a) In addition to those balances and transactions disclosed elsewhere in the condensed consolidated financial statements, the Group also had the following material transactions with related parties during the period:

Nature of transaction	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Fellow subsidiaries:</b>			
Property development project construction fee <sup>#</sup>	(i)	<b>4,249,098</b>	4,123,647
Rental and utility income	(ii)	<b>43,608</b>	35,213
Heating pipes connection service fee	(i)	<b>14,171</b>	–
Building design consultancy income	(iii)	<b>5,810</b>	8,536
Property management and value-added services fee <sup>#</sup>	(iii)	<b>386,727</b>	420,148
Materials procurement and supply chain management services income <sup>#</sup>	(iii)	<b>31,088</b>	–
Sales of properties <sup>#</sup>	(iv)	<b>73,572</b>	49,461
Interest expense	(vii)	<b>22,645</b>	6,434
Interest income <sup>#</sup>	(viii)	<b>11,320</b>	4,672
<b>Associates:</b>			
Interest income	(vi)	<b>60,611</b>	–
Royalty income	(v)	<b>165,200</b>	166,600
Lease payments	(ii)	<b>115,058</b>	107,155
Building design consultancy income	(iii)	<b>1,540</b>	–
Materials procurement income	(iii)	<b>457,220</b>	15,442
<b>Joint ventures:</b>			
Interest income	(vi)	<b>159,973</b>	107,035

### 21. Related Party Transactions (Continued)

Notes:

- (i) *Property development project construction fee and heating pipes connection service fee are charged in accordance with respective contracts. The amounts represent aggregated transaction amounts during the period in relation to contracts signed in current and prior periods.*
- (ii) *Rental and utility income and lease payments are charged in accordance with respective tenancy agreements.*
- (iii) *Building design consultancy income, property management and value-added services fee, material procurement and supply chain management services income and material procurement income are charged in accordance with respective contracts.*
- (iv) *The Group entered into various sale and purchase agreements with certain subsidiaries of China Overseas Property Holdings Limited, a fellow subsidiary of the Company, for the disposal of car parking spaces in the PRC.*
- (v) *Royalty income is charged at annual fee as specified in the contracts.*
- (vi) *Interest income is charged at interest rates as specified on the outstanding amounts.*
- (vii) *Interest expenses were mainly paid to China State Construction Finance Limited, a fellow subsidiary of the Company, for respective borrowing.*
- (viii) *Interest income is charged on the deposits placed in China State Construction Finance Limited, a fellow subsidiary of the Company.*
- # *These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.*

## Notes to the Condensed Consolidated Financial Statements (Continued)

### 21. Related Party Transactions (Continued)

- (b) The remuneration of the Company's directors and other members of key management of the Group during the period were as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Basic salaries, housing allowances, bonus, other allowances and benefits in kind	<b>16,713</b>	36,384
Provident Fund contribution	<b>746</b>	1,438
	<b>17,459</b>	37,822

### 22. Business Combination

According to the sale and purchase agreements dated 21 January 2022 and 24 January 2022, which were entered into between the Group and two of the other shareholders of 廣州利合房地產開發有限公司 (Guangzhou Lihe Real Estate Development Co., Ltd.\*) ("Guangzhou Lihe"), the associate of the Group, the Group acquired approximately 26.66% and 26.67% of the equity interest in Guangzhou Lihe from these two shareholders respectively at a total consideration of RMB3,668,412,000. The acquisition was completed on 27 January 2022 and the Group recognised re-measurement gain on pre-existing interest in an associate upon acquisition of RMB1,251,160,000 and provisional gain on bargain purchase of subsidiaries of RMB1,236,618,000 during the six months ended 30 June 2022. Details of the transactions were set out in the Company's announcement dated 25 January 2022.

\* English translation for identification purpose only

### Interim Dividend and Closure of Register of Members

The board of directors of the Company (the “**Board**”) declared the payment of an interim dividend of HK40 cents per Share (2021: HK45 cents per Share) for the six months ended 30 June 2022. The interim dividend will be payable in cash.

#### Relevant Dates for Interim Dividend Payment

Ex-dividend date	16 September 2022
Latest time to lodge transfer documents for registration with the Company’s registrar and transfer office	4:30 p.m. on 19 September 2022
Closure of Register of Members	20 September 2022
Record date	20 September 2022
Despatch of dividend warrants	5 October 2022

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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

### Share Capital

The total number of Shares in issue as at 30 June 2022 was 10,944,883,535 ordinary Shares.

### Purchase, Sale or Redemption of the Group’s Listed Securities

Save as disclosed below, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group’s listed securities during the six months ended 30 June 2022 and up to the date of this Interim Report<sup>#</sup>.

<sup>#</sup> Refer to the date of interim results announcement of the Company (i.e. 24 August 2022)

## Purchase, Sale or Redemption of the Group's Listed Securities

(Continued)

## 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 Interim Report#. The net proceeds, after deducting the expenses in connection with the relevant issuance, are used to repay the existing indebtedness of the Group and finance general working capital.

Securities	Issue Date	Due Date	Issue Scale (RMB'000)	Coupon Rate	Name of stock exchange/market on which the securities are listed/issued
2022 medium term notes					National interbank bond market
(i) First tranche (Type I)	14 January 2022	14 January 2025	1,800,000	2.88%	
(ii) First tranche (Type II)	14 January 2022	14 January 2027	1,200,000	3.25%	
(iii) Second tranche (Green)	23 February 2022	23 February 2027	1,000,000	3.22%	
(iv) Third tranche (Type I)	27 May 2022	27 May 2025	2,000,000	2.63%	
(v) Third tranche (Type II)	27 May 2022	27 May 2027	1,000,000	3.10%	
(vi) Forth tranche	25 July 2022	25 July 2027	2,000,000	3.26%	
2022 corporate bonds					Shenzhen Stock Exchange
(i) First tranche (Type I)	7 April 2022	7 April 2025	2,000,000	3.05%	
(ii) First tranche (Type II)	7 April 2022	7 April 2027	1,000,000	3.50%	
(iii) Second tranche (Type I)	10 May 2022	10 May 2025	1,500,000	2.75%	
(iv) Second tranche (Type II)	10 May 2022	10 May 2027	1,500,000	3.48%	

\* English translation for identification purpose only

# Refer to the date of interim results announcement of the Company (i.e. 24 August 2022)

### Purchase, Sale or Redemption of the Group's Listed Securities

(Continued)

#### Issue of Listed Securities (Continued)

Beijing China Overseas Plaza Commercial Development Ltd.\* (the "Beijing China Overseas Plaza"), a wholly-owned subsidiary of the Company, issued the following securities during the period and up to the date of this Interim Report#. The net proceeds, after deducting the expenses in connection with the relevant issuance, are used to repay the indebtedness of the Group and finance general working capital. The commercial mortgage-backed securities are listed on the Shenzhen Stock Exchange.

Name of Securities	Issue Date	Due Date	Issue Scale
Green commercial mortgage-backed securities (carbon neutrality)	29 March 2022	29 March 2040	Preferred class securities of RMB5,000 million 3.35 per cent. and equity class securities of RMB1 million (Beijing China Overseas Plaza subscribed for all equity class securities)

\* English translation for identification purpose only

# Refer to the date of interim results announcement of the Company (i.e. 24 August 2022)

## Purchase, Sale or Redemption of the Group's Listed Securities

(Continued)

## Redemption of Listed Securities

The following securities were redeemed by the wholly-owned subsidiaries of the Company during the period and up to the date of this Interim Report<sup>#</sup>:

Name of Subsidiary	Securities	Issue Date	Redemption Date	Redemption Value (RMB'000)	Remaining Value (RMB'000)
China Overseas Development	RMB2,000 million 3.47 per cent. corporate bonds which were listed on the Shenzhen Stock Exchange	24 January 2019	24 January 2022	2,000,000	Nil
Beijing China Overseas Plaza	Commercial mortgage-backed securities listed on the Shenzhen Stock Exchange:	(i) 28 April 2020 (ii) 17 August 2020 (iii) 23 March 2021 (iv) 23 June 2021 (v) 10 November 2021 (vi) 29 March 2022	(i)-(iv) Principal amount with interest payable will be repaid in instalments in May and November each year  (v)-(vi) Principal amount with interest payable will be repaid in instalments in February and August each year	(i) 2,960 (ii) 900 (iii) 300 (iv) 21,000 (v) 6,840 (vi) 5,000	(i) 3,689,160 (ii) 2,997,400 (iii) 1,000,100 (iv) 2,061,100 (v) 1,894,160 (vi) 4,996,000

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

<sup>#</sup> Refer to the date of interim results announcement of the Company (i.e. 24 August 2022)

### Share Option Scheme

The share option scheme was approved and adopted by the shareholders of the Company on 11 June 2018 (the “**Share Option Scheme**”) to enable the qualifying grantees to acquire ordinary Shares of the Company and unless otherwise cancelled or amended, it will remain in force for 10 years from 11 June 2018. The purpose of the Share Option Scheme is to attract and retain the best quality personnel for the development of the Group’s businesses, to provide additional incentives to the qualifying grantees (being, among others, any employee of the Group or such other persons that have contributed to the Group as specified in the Share Option Scheme) that have contributed to the Group; and to promote the long term financial success of the Group by aligning the interests of share option holders with shareholders of the Company.

The limit on the number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No share options may be granted under any scheme of the Company if this will result in the limit being exceeded.

The number of Shares in respect of the share options that may be granted according to the Share Option Scheme (the “**Share Options**”) shall not exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme (i.e. 11 June 2018). On the basis of 10,956,201,535 Shares in issue as at 11 June 2018, this would be 1,095,620,153 Shares.

Total number of ordinary Shares in the capital of the Company available for issue under the Share Option Scheme as at the date of this interim report is 733,900,153 shares which represented 6.70% of the total issued share capital at that date.

Unless otherwise approved by the shareholders of the Company in a general meeting, the number of Shares issued and to be issued upon exercise of the Share Options (whether exercised or outstanding) granted to each of the eligible persons in any 12-month period shall not exceed 1% of the Shares in issue.

### Share Option Scheme (Continued)

Unless otherwise approved by shareholders of the Company in a general meeting, no Share Options may be granted to any substantial shareholder of the Company, Independent Non-executive Directors or their respective associates, that would result in the Shares issued or to be issued to such person in the 12-month period up to and including the date of Board meeting proposing for the grant (i) in aggregate exceeding 0.1% of the Shares in issue from time to time; and (ii) in aggregate exceeding HK\$5 million based on the closing price of the Shares at the date of the Board meeting proposing for such grant.

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option, but shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Stock Exchange daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange daily quotation sheets for the five business days immediately preceding the date of grant.

The period within which the Shares must be taken up under a Share Option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 6 years from the date of grant of the relevant Share Option.

The minimum period, if any, for which a Share Option must be held before it can be exercised shall be determined by the Board as its absolute discretion. The Share Option Scheme itself does not specify any minimum holding period.

HK\$1.00 is payable by each of the Share Option holders to the Company on the acceptance of the offer of the Share Option. The period within which payments or calls must or may be made should be 28 days after the offer date of a Share Option or such period as the Directors may determine.

The life of the Share Option Scheme is 10 years commencing on 11 June 2018 and expiring on 10 June 2028.

Other details of the Share Option Scheme are set out in Appendix III to the circular published by the Company on 16 April 2018.

## Others (Continued)

### Share Option Scheme (Continued)

During the six months ended 30 June 2022, save as disclosed in the section of “Directors’ and Chief Executive’s Interests in Securities” of this Interim Report, details of the movements of the Share Options under the Share Option Scheme are as follows:

Participants	Date of grant	Subscription Price HK\$ (per Share)	Exercise Period (Note a)	Number of Share Options				Balance as at 30 June 2022	
				Balance as at 1 January 2022	Granted	Exercised	Cancelled		Lapsed
Other eligible persons	29.06.2018	25.85	29.06.2020 to 28.06.2024 (note b)	86,470,000	-	(68,500) (Note e)	(28,208,000) (Note f)	(2,260,000)	55,933,500
	24.11.2020	18.724	24.11.2022 to 23.11.2026 (note c)	267,230,000	-	-	-	(6,140,000)	261,090,000
	11.11.2021	18.70	11.11.2023 to 10.11.2027 (note d)	5,530,000	-	-	-	(60,000)	5,470,000
				359,230,000	-	(68,500)	(28,208,000)	(8,460,000)	322,493,500

Notes:

- (a) Exercise of the Share Options is conditional upon the achievement of certain individual performance targets of each eligible person and certain financial performance targets of the Company as determined by the Board.
- (b) One-third of the Share Options granted will be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022.
- (c) One-third of the Share Options granted will be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024.
- (d) One-third of the Share Options granted will be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025.
- (e) The weighted average closing price of the Shares immediately before the dates on which the Share Options were exercised was HK\$26.27.
- (f) The third tranche of the Share Options granted on 29 June 2018 have been cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme.

### Directors' and Chief Executive's Interests in Securities

As of 30 June 2022, the directors of the Company (the "Directors"), the chief executive of the Company and their respective associates had the following interests in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

**(a) Long Positions in Shares and Underlying Shares of the Company**

(i) *Long Positions in Ordinary Shares*

*(all being personal interest and being held in the capacity of beneficial owner)*

Name of Director	Number of Shares held	% of Shares in issue <i>(Note 1)</i>
Mr. Li Man Bun, Brian David	5,660,000	0.0517%

Note:

- The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 30 June 2022.

## Others (Continued)

### Directors' and Chief Executive's Interests in Securities (Continued)

#### (a) Long Positions in Shares and Underlying Shares of the Company (Continued)

- (ii) Long Positions in Share Options relating to Ordinary Shares  
(all being personal interest and being held in the capacity of beneficial owner)

Name of Director	Date of grant	Subscription price HK\$ (per Share)	Exercise period (Note a)	Number of Share Options				
				Balance as at 1 January 2022	Granted	Exercised	Cancelled/ lapsed (Note e)	Balance as at 30 June 2022
Mr. Yan Janguo	29.06.2018	25.85	29.06.2020 to 28.06.2024 (Note b)	700,000	-	-	(234,000)	466,000
	24.11.2020	18.724	24.11.2022 to 23.11.2026 (Note c)	1,800,000	-	-	-	1,800,000
Mr. Luo Liang	29.06.2018	25.85	29.06.2020 to 28.06.2024 (Note b)	700,000	-	-	(234,000)	466,000
	24.11.2020	18.724	24.11.2022 to 23.11.2026 (Note c)	1,600,000	-	-	-	1,600,000
Mr. Zhang Zhichao	29.06.2018	25.85	29.06.2020 to 28.06.2024 (Note b)	550,000	-	-	(184,000)	366,000
	24.11.2020	18.724	24.11.2022 to 23.11.2026 (Note c)	1,600,000	-	-	-	1,600,000
Mr. Guo Guanghui	29.06.2018	25.85	29.06.2020 to 28.06.2024 (Note b)	600,000	-	-	(200,000)	400,000
	24.11.2020	18.724	24.11.2022 to 23.11.2026 (Note c)	1,300,000	-	-	-	1,300,000
Mr. Zhuang Yong	29.06.2018	25.85	29.06.2020 to 28.06.2024 (Note b)	600,000	-	-	(200,000)	400,000
	11.11.2021	18.70	11.11.2023 to 10.11.2027 (Note d)	1,600,000	-	-	-	1,600,000

#### Notes:

- (a) Exercise of the Share Options is conditional upon the achievement of certain individual performance targets of each eligible person and certain financial performance targets of the Company as determined by the Board.
- (b) One-third of the Share Options granted will be vested on each of 29 June 2020, 29 June 2021 and 29 June 2022.
- (c) One-third of the Share Options granted will be vested on each of 24 November 2022, 24 November 2023 and 24 November 2024.
- (d) One-third of the Share Options granted will be vested on each of 11 November 2023, 11 November 2024 and 11 November 2025.
- (e) The third tranche of the Share Options granted on 29 June 2018 have been cancelled in accordance with the exercise conditions under the terms of the Share Option Scheme.

## Directors' and Chief Executive's Interests in Securities (Continued)

(b) Long Positions in Shares and Underlying Shares of the Associated Corporations  
(all being personal interest and being held in the capacity of beneficial owner)

Name of associated corporation	Name of Director	Number of shares held (Note 2)	% of shares in issue (Note 1)
China State Construction Engineering Corporation Limited (" <b>CSCECL</b> ")	Mr. Luo Liang	294,000	0.001%
	Mr. Zhang Zhichao	70,000	0.000%
	Mr. Guo Guanghui	210,000	0.001%
China State Construction International Holdings Limited (" <b>CSC</b> ")	Mr. Luo Liang	3,531,469	0.070%
China Overseas Property Holdings Limited	Mr. Li Man Bun, Brian David	1,820,000	0.055%
China Overseas Grand Oceans Group Limited (" <b>COGO</b> ")	Mr. Luo Liang	105,000	0.003%
	Mr. Zhuang Yong	500,000	0.015%
China State Construction Development Holdings Limited	Mr. Zhang Zhichao	2,984,000	0.138%

## Notes:

1. The percentage represents the number of shares interested divided by the number of shares of the related associated corporation in issue (as the case may be) as at 30 June 2022.
2. The number of shares of CSCECL held by each of Mr. Luo Liang, Mr. Zhang Zhichao and Mr. Guo Guanghui represented the "A" shares in CSCECL under the A-shares Restricted Stock Incentive Plan (Phase II) of CSCECL together with bonus shares on the basis of four bonus "A" shares for every ten existing "A" shares.



## Others (Continued)

### Directors' and Chief Executive's Interests in Securities (Continued)

Save as disclosed above, as at 30 June 2022, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein. None of the Directors and the chief executive of the Company (including their spouses and children under the age of 18) had, as at 30 June 2022, any interest in, or had been granted any right to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

### Substantial Shareholders' Interests in Securities

As of 30 June 2022, the following parties (other than Directors or the chief executive of the Company) were the substantial shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of the Company and had interests in the Shares and underlying Shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Number of Shares and underlying Shares held			% of Shares in issue (Note 1)			Capacity
	(Long Position)	(Short Position)	(Lending Pool)	(Long Position)	(Short Position)	(Lending Pool)	
Silver Lot Development Limited ("Silver Lot")	521,264,928	-	-	4.76%	-	-	Beneficial owner
China Overseas Holdings Limited ("COHL") (Note 2)	5,617,734,255	111,564,090 (Note 4)	-	51.33%	1.02%	-	Beneficial owner
	521,264,928	-	-	4.76%	-	-	Interest of controlled corporation
CSCECL (Note 3)	6,138,999,183	111,564,090 (Note 4)	-	56.09%	1.02%	-	Interest of controlled corporation
China State Construction Engineering Corporation ("CSCEC") (Note 3)	6,138,999,183	111,564,090 (Note 4)	-	56.09%	1.02%	-	Interest of controlled corporation
Complete Noble Investments Limited ("Complete Noble") (Notes 5 and 6)	1,095,620,154	-	-	10.01%	-	-	Beneficial owner
Affluent East Investments Limited ("Affluent East") (Notes 5 and 6)	1,095,620,154	-	-	10.01%	-	-	Interest of controlled corporation
CITIC Limited ("CITIC") (Notes 5 and 6)	1,095,620,154	-	-	10.01%	-	-	Interest of controlled corporation
CITIC Glory Limited ("CITIC Glory") (Note 6)	1,095,620,154	-	-	10.01%	-	-	Interest of controlled corporation
CITIC Polaris Limited ("CITIC Polaris") (Note 6)	1,095,620,154	-	-	10.01%	-	-	Interest of controlled corporation
CITIC Group Corporation ("CITIC Group") (Note 6)	1,095,620,154	-	-	10.01%	-	-	Interest of controlled corporation

### Substantial Shareholders' Interests in Securities (Continued)

Notes:

1. The percentage represents the number of ordinary Shares interested divided by the number of Shares of the Company in issue as at 30 June 2022.
2. Silver Lot is a direct wholly-owned subsidiary of COHL, thus COHL is deemed by the SFO to be interested in Shares of the Company (including long position, short position and lending pool (if any)) in which Silver Lot is or is taken to be interested.
3. COHL is a direct wholly-owned subsidiary of CSCECL, which in turn is a direct non-wholly owned subsidiary of CSCEC, thus CSCECL and CSCEC are deemed by the SFO to be interested in Shares of the Company (including long position, short position and lending pool (if any)) in which COHL is or is taken to be interested.
4. On 5 January 2016, a subsidiary of COHL (the "Issuer") issued exchangeable bonds (the "Bonds") with the aggregate principal amount of US\$1,500,000,000 which are exchangeable into 280,124,096 shares of the Company. On 5 January 2020, the Issuer redeemed US\$902,600,000 in aggregate principal amount of the Bonds at an aggregate redemption price of US\$1,006,760,040. The redeemed Bonds have been cancelled pursuant to the terms and conditions of the Bonds. After that the remaining Bonds can be exchangeable into 111,564,090 shares of the Company.
5. Complete Noble is a direct wholly-owned subsidiary of Affluent East, which in turn is a direct wholly-owned subsidiary of CITIC.
6. More than 50% of CITIC is held by CITIC Glory and CITIC Polaris, both of which are direct wholly-owned subsidiaries of CITIC Group, in aggregate. Accordingly, CITIC is an indirect non-wholly owned subsidiary of CITIC Group and Affluent East, CITIC, CITIC Glory, CITIC Polaris and CITIC Group are all deemed by the SFO to be interested in Shares of the Company (including long position, short position and lending pool (if any)) in which Complete Noble is or is taken to be interested.

Save as disclosed above, the Company had not been notified by any other person (other than Directors or the chief executive of the Company) who had an interest in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2022.

### Corporate Governance

The Company has complied throughout the six months ended 30 June 2022 with all the code provisions of the Corporate Governance Code ("CG Code") from time to time as set out in Appendix 14 to the Listing Rules and with some of the recommended best practices contained therein.

### 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 contained in Appendix 10 to 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 2022.

### Changes in Directors’ Information

Changes in Directors’ information since the date of the 2021 Annual Report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Details of changes
Mr. Yan Jianguo	<ul style="list-style-type: none"> <li>Appointed as Justice of Peace (Hong Kong) with effect from 27 July 2022</li> </ul>
Mr. Luo Liang	<ul style="list-style-type: none"> <li>Redesignated from the Vice Chairman, Executive Director, Executive Vice President, Chief Operating Officer and Chief Architect of the Company to the Vice Chairman, Executive Director and Chief Architect of the Company with effect from 1 June 2022</li> </ul>
Mr. Guo Guanghui	<ul style="list-style-type: none"> <li>Basic salary be adjusted to RMB1,800,000 per annum with effect from 1 July 2022</li> </ul>
Mr. Li Man Bun, Brian David	<ul style="list-style-type: none"> <li>Ceased to be a member of the Chief Executive’s Council of Advisers on Innovation &amp; Strategic Development of the Government of the Hong Kong Special Administrative Region with effect from 30 June 2022</li> </ul>
	<ul style="list-style-type: none"> <li>Appointed as the chairman of audit committee of Guangdong Investment Limited (listed in Hong Kong) with effect from 12 July 2022</li> </ul>
Professor Chan Ka Keung, Ceajer	<ul style="list-style-type: none"> <li>Ceased to be the non-executive director of Trivium Holdings Limited with effect from 22 June 2022</li> </ul>



## Others (Continued)

### 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 2022, and discussed with the Company's management regarding risk management, internal control and other important matters.



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