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(incorporated in Hong Kong with limited liability)
(Stock Code: 81)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

1. The contracted property sales of the Group Series of Companies¹ for the year was RMB42,820 million (2022: RMB40,317 million), representing an increase of 6.2% against last year, which corresponded to an aggregated contracted area of 3,532,400 sq.m..
2. For the year ended 31 December 2023, the Group recorded revenue of RMB56,408 million, 1.9% decrease comparing with last year. Gross profit and margin for the year were RMB6,311 million and 11.2% respectively, comparing with RMB8,276 million and 14.4% respectively for last year.
3. Profit attributable to owners of the Company for the year was RMB2,302 million, 26.9% lower than last year. Basic earnings per share were RMB64.7 cents.
4. The Group's financial position remained robust. Receipts from sales of the Group Series of Companies reached RMB44.8 billion for the year. The operating cash flow for the year recorded a net inflow of RMB9,098 million (2022: RMB486 million), representing a significant increase against last year. As at 31 December 2023, total cash and bank balances amounted to RMB26,021 million, which accounted for 17.1% of the Group's total assets. The net gearing ratio was 46.0% (2022: 48.8%).
5. The total gross floor area of the land acquired of the Group Series of Companies during the year was about 1,835,100 sq.m. (attributable to the Group: 1,561,800 sq.m.) for a total consideration of approximately RMB9,765 million.
6. As at 31 December 2023, the gross floor area of total land bank of the Group Series of Companies reached 18,806,800 sq.m., of which, 1,738,400 sq.m. was held by associates and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 15,517,500 sq.m..
7. The Board recommended the payment of final dividend of HK11 cents per share for the year ended 31 December 2023.

¹ *The Group together with its associates and joint ventures (collectively the "Group Series of Companies")*

The board of directors (the “Board”) of China Overseas Grand Oceans Group Limited (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023.

CHAIRMAN’S STATEMENT

INTRODUCTION

I am pleased to present the review of annual results for the year ended 31 December 2023 and the outlook in 2024 of the Group.

In 2023, the Group achieved a revenue of RMB56,408 million, representing a year-on-year decrease of 1.9%. Profit attributable to owners of the Company amounted to RMB2,302 million, representing a year-on-year decrease of 26.9%. Basic earnings per share was RMB64.7 cents.

After a prudent review on the overall result performance and working capital requirements for the future operations of its business, the Board of the Company recommended the payment of a final dividend of HK11 cents per share (2022: HK15 cents per share) for the year ended 31 December 2023. Taking into account the interim dividend of HK5 cents per share (2022: HK6 cents per share) paid in October 2023, total dividends for the year will amount to HK16 cents per share (2022: HK21 cents per share). The dividend payout ratio for the year is 22.5%.

MARKET REVIEW

In 2023, China’s economic growth exceeded expectations, but challenges persisted. Geopolitical flashpoints were intensifying globally, weighing on the momentum of the economic recovery. At the same time, major changes were occurring in real estate supply and demand dynamics in China. The confluence of these challenges was adding to headwinds from various other downside risks, resulting in a complex external environment.

China’s property sector had exhibited signs of stabilization after seeing resurgence in the immediate aftermath of the pandemic during the year. According to data from the National Bureau of Statistics, the value of China’s home sales decreased by 6.0% and the floor area sold decreased by 8.2% in 2023 compared to the previous year. According to CRIC data, home sales in China’s “Top 100 Cities” reached RMB6.2 trillion in 2023, a 3.4% year-on-year decrease. Sales volume stood at 310 million square meters (“sq.m.”), down 6.8% from the previous year. The average selling price was RMB19,900 per sq.m., representing a 3.6% increase year-on-year. The property market has continued its adjustment and consolidation phase.

In 2023, China's economy demonstrated resilience amid severe domestic and global challenges. Its GDP expanded 5.2% according to the National Bureau of Statistics, among the fastest growth of major economies. This likely indicated China contributed over 30% of global growth, cementing its role as the largest driver of world economic activity. The high-speed growth phase witnessed in the property market had now concluded. As the industry transitioned to a more stable development phase, momentum was building to facilitate a rebound in real estate fundamentals. At the same time, the shift towards homebuyers primarily being end-users rather than investors, along with supportive policies to stimulate housing demand for new homes and upgrade existing housing through trade-ups, were expected to promote the sustainable development of the property market.

BUSINESS REVIEW

2023 marked a shift away from the previous period defined by high leverage, high debt and rapid asset turnover fueling rapid real estate growth. Supply and demand dynamics underwent significant changes. As the sector entered the latter stage of its cycle, divergences emerged between developers in sales performance, land auction activity across markets, and performance at the city level. We adapted to the new market norm by prioritizing financial resilience and disciplined investments, enhancing operational quality, to pave the way for future.

Amid constantly shifting market dynamics, the Group persisted to seek progress while maintaining stability, and promoted stability through progress. By continuously refining processes and supporting frontline operations, the Group pursued resilient growth. In 2023, the Group Series of Companies achieved contracted property sales of RMB42,820 million, representing a year-on-year increase of 6.2%. The contracted sales area was 3,532,400 sq.m., representing a year-on-year decrease of 5.2%. Contracted property sales attributable to the Group for the year amounted to RMB33,556 million, ranking 30th in the industry, an improvement of 10 places compared to 2022. The Group achieved average residential property selling price of approximately RMB13,200 per sq.m., representing a year-on-year increase of 9.7%. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB1,250 million for an aggregated contracted area of 107,400 sq.m..

In 2023, the Group aimed to lead its peers and push boundaries to new limits. As other major developers focused their resources mainly in top-tier cities, the Group's competitive edges in mid-tier cities where we operate became clearer. Among the 40 cities where the Group has a presence, its contracted sales ranked in the top three of 18 cities. Among them, in 7 cities we ranked first, namely, Shantou, Taizhou, Tangshan, Zhuzhou, Anqing, Yancheng, and Jilin.

The Group remained committed to its “3P” investing strategy, which targeted the most “Prominent” cities and their “Prime” neighborhoods while focusing on “Popular” property types. By carefully scoping out land opportunities, we strategically bolstered our land bank reserves with well-positioned plots primed for future growth. In 2023, the Group Series of Companies acquired thirteen projects through public auctions, adding attributable gross floor area of 1,561,800 sq.m., with attributable land cost amounting to RMB7,679 million.

As of 31 December 2023, the gross floor area of the total land bank of the Group Series of Companies was 18,806,800 sq.m., of which 15,517,500 sq.m. were attributable to the Group.

The Group’s strong record of delivery reinforces customer confidence in its industry-leading execution capabilities, with construction area of more than 19 million sq.m. during the year. The Group had successfully delivered approximately 46,500 new homes. Customer satisfaction rating was 91%, top among industry peers. Our proven track record for ensuring high-quality delivery of new homes is highly recognized and makes us a top brand in the sector.

During the year, the Group strengthened its operating cash flow management, and our strong financial position stood the Group in good stead. Sales collections for the year reached RMB44.8 billion. Cash reserves totalled over RMB26.0 billion at the year end. The net gearing ratio decreased from 48.8% as at the end of last year to 46.0%. None of the “Three Red Lines” was breached. The weighted average financing cost remained at an industry low of 4.6%. The proportion of total interest-bearing debt denominated in Hong Kong Dollar (“HKD”) and United States Dollar (“USD”) was adjusted downward to 32.6% from 39.8% previously. This prudent capital structure adjustment helped continually enhance the Group’s resilience amid macroeconomic fluctuations by lowering foreign exchange rate exposure. China Overseas Grand Oceans Property Group Company Limited, the investment and financing platform of the Group in Mainland China, had its credit rating upgraded to the highest AAA rating with a stable outlook by China Chengxin International Credit Rating Co., Limited, the leading credit rating agency in China.

Sustainable development and green, low-carbon practices are key priorities for the Group as we adopt a forward-thinking approach to addressing climate change. In a year where most industry peers saw rating downgrades, the Group went against the trend with an upgraded ESG rating. This improvement reflected our ongoing work to systematically consider environmental, social and governance factors. For these steadfast sustainability efforts, the Group also received several awards during the year for pioneering green practices in real estate. MSCI raised our rating from BB to BBB, while the Wind ESG rating improved from A to AA. In our debut assessment by GRESB, an impressive 91% score earned us a top four-star designation. Dedication to green, low-carbon practices has also received industry plaudits, with awards like the United Nations Sustainable Development Goals Hong Kong Award and the RICS China Annual Excellence in Sustainable Development. These recognized the Group's pioneering leadership in emissions reduction as well as holistic ESG integration. By strategically combining climate action and ESG initiatives to highlight the synergies of these dual priorities, the stakeholders acknowledged how the Group's approach supported long-term sustainable value creation. During the year, the Group successfully issued the industry's first corporate credit carbon neutrality bond in Mainland China, with a value of RMB500 million at a coupon rate of 3.05%. In Hong Kong, the Group established new financing milestones by securing its first sustainability-linked HKD loan of HKD570 million and its first sustainability-linked offshore RMB loan totalling RMB250 million.

PROSPECTS

While China's property market faces challenges in 2024, supportive policies to boost domestic demand and manage risks are expected to stabilize the real estate sector, and gradually rebuild business and consumer confidence over the course of the year. China's economic resilience amid mid-to-high growth, continuing urbanization, and prevailing needs such as affordable housing and upgrades will underpin the sector's long-term growth potential.

As China's property market undergoes significant supply and demand shifts, housing policies will keep adapting by increasingly tailoring support initiatives to local circumstances, in order to healthily fulfill housing needs. While the sector bottoms out in the near term, positive long-term fundamentals remain intact. Emerging opportunities and ongoing industry differentiation herald a new growth phase, where leading developers gain advantage in an evolving market. Pursuing growth while ensuring stability, the Group aims to capitalize on economic recovery for quality development.

The real estate market is now entering a new phase, which poses both challenges and opportunities. Developers able to acquire land now have a better opportunity to boost their land bank. Guided by sales-led investment and production, the Group is committed to a prudent financial strategy, emphasizing precision investment and deepening our presence within key markets. Meanwhile, the Group remains vigilant for investment opportunities showing promise in the market.

Going forward, gaining deeper customer insights and raising the bar on quality will remain key priorities. In 2024, we will further enhance our customer and product research capabilities. This will allow for more granular standardized property types tailored to regional needs. Through a specialized “One Region, One Strategy” model, we aim to systematically roll out standardized lines incorporating premium features. Ultimately, this approach will deliver higher value to customers. The Group’s customer satisfaction rating remains top among industry peers. Our quality homes delivered will help build the Group’s reputation and strengthen the influence of the “China Overseas Properties” brand.

The Group has consistently maintained a prudent and robust financial management approach and continues to enhance cash flow management as well as cost and risk controls to preserve strong financial flexibility. With sound operating cash flows and a healthy balance sheet, the Group regularly reviews its debt structure and financing costs to ensure ample cash reserves. All “Three Red Lines” remain in the green. As a company focuses on financial efficiency, the Group also keeps an eye on potential impacts from broader political and economic developments as well as interest and exchange rate movements on finances and operations.

Talent is key to sustainable success. Through its development program, the Group cultivates high-potential staff, building a skilled workforce with leadership and expertise to drive future growth. It also recruits aggressively, offering competitive pay and benefits plus development opportunities. With strengthened human resources policies and a positive culture, the Group aligns employees’ goals with its long-term vision. Continuous refinements to performance and compensation systems alongside working environment improvements sustain high-performing, dedicated teams.

Looking ahead, the Chinese economy continues to present significant growth potential and resilience. Its long-term fundamentals remain intact and will provide strong support for the sustained development of the property sector. With ample financial flexibility, the Group aims to both capitalize on opportunities from market developments and navigate challenges through balanced adaptive strategies. Underpinned by the China’s resilient economic fundamentals, the Group is well-positioned to generate lasting value for shareholders and stakeholders.

APPRECIATION

I would like to express my gratitude to all directors, the management team and our employees for their efforts and dedication, as well as to our stakeholders, customers, partners and the community for their continued trust and support to the Group. We will live up to the expectations and create greater shareholder value for all.

China Overseas Grand Oceans Group Limited

Zhuang Yong

Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS**BUSINESS REVIEW****REVENUE AND OPERATING RESULTS**

China's property sector had exhibited signs of stabilization after seeing resurgence in the immediate aftermath of the pandemic during the year. During the year, local authorities rolled out improved housing policies nationwide to spur balanced growth. The new measures relaxed purchase limits and loan quotas for residents, lending support to both new and resale housing inventory. As the economic recovery took hold, China's property sector stabilized amid changing market dynamics, with policy support helping to guide developers towards sustainable operations.

Leveraging a solid financial foundation, the Group continued providing high quality properties to customers during the year. Our premium brand resonated strongly in second-tier and third-tier cities where we gained market share. This helped the Group steadily climb industry rankings and outperform peers with contracted property sales growing from the previous year.

The Group Series of Companies achieved contracted property sales of RMB42,820 million for the year (2022: RMB40,317 million), representing an increase of 6.2% against last year, in which, an amount of RMB3,118 million (2022: RMB3,478 million) was contributed by associates and joint ventures. Contracted property sales attributable to the Group for the year amounted to RMB33,556 million (2022: RMB34,187 million).

For the year ended 31 December 2023, the Group recorded revenue of RMB56,408 million (2022: RMB57,492 million), representing a decrease of 1.9% against last year. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, gross profit for the year was RMB6,311 million (2022: RMB8,276 million), representing a decrease of 23.7% against last year. The overall gross profit margin for the year narrowed to approximately 11.2% (2022: 14.4%).

In terms of expenses, the Group continued to maintain stringent cost control throughout the year. Distribution and selling expenses for the year decreased by RMB80 million against last year to RMB1,552 million (2022: RMB1,632 million) and the ratio of distribution and selling expenses to the Group's contracted property sales also decreased from 4.4% for the last year to 3.9% for the year. In addition, administrative expenses for the year decreased by RMB30 million against the last year to RMB896 million (2022: RMB926 million) and the ratio of the administrative expenses to revenue maintained at approximately 1.6% for both the current and last year.

Other operating expenses for the year amounted to RMB136 million (2022: RMB91 million), which included the recognition of foreign exchange losses.

Due to the decrease in gross profit, operating profit for the year amounted to RMB4,207 million (2022: RMB6,266 million), representing a decrease of 32.9% against last year.

The total interest expense for the year amounted to RMB2,212 million (2022: RMB2,144 million). Finance costs, after capitalization of RMB2,147 million (2022: RMB2,081 million) to the on-going property development projects, was RMB65 million (2022: RMB63 million) for the year.

Currently, the majority of the property projects held by the Group through associates and joint ventures are in the development stage and the progress is in line with the expectation. Share of profits of associates for the year amounted to RMB1 million (2022: RMB19 million). The decrease in profit was mainly due to the recognition of profit from property sales of the property development project of an associate for last year. The share of losses of joint ventures for the year amounted to RMB20 million (2022: RMB242 million) The decrease in loss was mainly attributable by the decrease in the share of losses from write-down of inventories of properties of certain joint ventures for the year.

Income tax expense comprised enterprise income tax and land appreciation tax (“LAT”). Income tax expense for the year decreased by RMB825 million against last year to RMB2,098 million (2022: RMB2,923 million), mainly due to the decrease in operating profit for the year and the adjustments upon the settlements of LAT for certain projects. The effective tax rate for the year was 50.9% (2022: 48.9%).

Overall, for the year ended 31 December 2023, profit attributable to owners of the Company decreased by 26.9% against last year to RMB2,302 million (2022: RMB3,150 million). Basic earnings per share were RMB64.7 cents (2022: RMB90.7 cents).

LAND BANK

The management believes that a sizable and high-quality land bank can ensure the sustainable growth of the Group's business and is also one of the most important assets to a property developer. In the past year, to navigate challenging market conditions, the Group acquired land parcels at reasonable prices and prudently evaluated market opportunities to improve the quality of its land bank. For the year ended 31 December 2023, the Group Series of Companies acquired 13 parcels of land at an aggregate consideration of RMB9,765 million with gross floor area of approximately 1,835,100 sq.m., of which approximately 1,561,800 sq.m. was attributable to the Group (including the interests in associates and joint ventures).

The table below shows the details of land parcels acquired during the year:

No.	City	Name of project	Attributable Interest	Total GFA (sq.m.)
1	Hefei	Feixi County Project #1 (Mount and Lake)	60%	97,100
2	Yinchuan	Jinfeng District Project (Sea Advanced Collection)	100%	189,500
3	Hefei	Baohe District Project (Jewel Manor)	60%	184,500
4	Ganzhou	Zhanggong District Project (River View Mansion)	100%	208,700
5	Hefei	Feixi County Project #2 (Guan Shan Li)	40%	132,900
6	Hohhot	Xincheng District Project #1 (Central Mansion)	100%	56,800
7	Hohhot	Xincheng District Project #2 (Central Mansion)	100%	70,000
8	Quanzhou	Fengze District Project (Master Mansion)	100%	112,300
9	Quanzhou	Jinjiang City Luoshan Project (Private Mansion)	100%	139,900
10	Ganzhou	Rongjiang New Area Project (The One Future)	100%	264,800
11	Tangshan	Lubei District Project (Zhen Ru Fu)	100%	62,200
12	Nantong	Chongchuan District Project (Center Mansion)	60%	202,300
13	Yangzhou	Hanjiang District Project	100%	114,100
Total				1,835,100

As at 31 December 2023, the gross floor area of total land bank of the Group Series of Companies in Mainland China reached 18,806,800 sq.m. (2022: 24,532,600 sq.m.), of which 1,738,400 sq.m. (2022: 2,022,800 sq.m.) was held by associates and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 15,517,500 sq.m. (2022: 20,754,100 sq.m.). The Group Series of Companies held a land bank distributed in 36 cities as at 31 December 2023.

The table below shows the details of land bank as at year end:

	District	Total GFA (sq.m.)	Attributable GFA (sq.m.)
1	Shantou district	2,862,800	2,862,800
2	Hefei district	2,306,600	1,556,900
3	Weifang district	1,522,600	1,341,600
4	Lanzhou district	1,417,600	1,295,100
5	Mengning district	919,800	917,400
6	Yangzhou district	1,291,700	895,400
7	Huizhou district	1,236,900	823,200
8	Tangshan district	778,800	778,800
9	Xuzhou district	1,085,500	742,400
10	Yantong district	984,800	548,400
11	Others	4,399,700	3,755,500
	Total	18,806,800	15,517,500

SEGMENT INFORMATION

PROPERTY SALES AND DEVELOPMENT

The Group remained focused on second- and third-tier cities in China where it understood varying demands for affordable and upgraded housing. It tailored products like furnished and green smart homes according to local market conditions. This maximized returns by catering to different needs while strengthening its national brand. The Group was set on continuing to differentiate its brand from other developers' by creating fantastic places and continues to play a leading role in the market.

The contracted property sales of the Group Series of Companies for the year ended 31 December 2023 amounted to RMB42,820 million (2022: RMB40,317 million), for an aggregated contracted area of 3,532,400 sq.m. (2022: 3,725,200 sq.m.), (in which, RMB3,118 million <2022: RMB3,478 million> for an aggregated contracted area of 233,900 sq.m. <2022: 259,600 sq.m.> was contributed by associates and joint ventures) representing an increase of 6.2% and a decrease 5.2% respectively against last year. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB1,250 million for an aggregated contracted area of 107,400 sq.m..

Contracted property sales from major projects during the year ended 31 December 2023:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Hefei	Skyline	224,833	5,298
	Jewel Manor	73,480	1,985
	Vitality City	15,553	215
Shantou	The Peninsula	98,779	1,458
	The Rivera North City	40,210	472
	Platinum Mansion	41,407	378
	Guan Yun Fu	38,591	360
	Golden Coast	40,539	327
	The Rivera East City	23,579	228
Hohhot	Zhonghai He Shan Guan Lan	76,498	809
	Zhonghai Zhen Ru Fu	37,232	548
	Zhonghai Shi Li Qing Chuan	45,809	422
	Hohhot Glorioushire	23,558	310
	River View Mansion	19,141	206
Yinchuan	Gorgeous Mansion	73,287	956
	Glory Mansion	57,024	503
	Sea Advanced Collection	41,323	471
	The Royal Peninsula	12,514	131
Lanzhou	La Cite	105,495	1,415
	China Overseas Platinum Pleased Mansion	30,517	335
	China Overseas Platinum Garden	25,393	281
Taizhou	Jinmao Palace*	56,511	977
	Royal Mansion	32,323	418
	Gorgeous Mansion*	23,690	347
	Graceful Mansion	18,626	269

Contracted property sales from major projects during the year ended 31 December 2023: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Jinhua	Central Mansion	25,709	1,013
	The Halo*	34,427	446
	Central Park	33,767	413
Tangshan	The Pogoda	49,709	877
	Maple Palace	31,617	621
Zhanjiang	We Love City*	68,255	778
	Glorious City*	32,126	322
Nanning	Lake Palace	37,749	601
	One Sino Residences	16,354	454
Changzhou	Jiang Nan Mansion	29,316	509
	South Halcyon	44,885	427
Yancheng	Gorgeous Mansion	53,930	688
	Mansion One	19,355	217
Zhuzhou	Zhonghai Xue Fu Li	62,277	476
	Majestic Mansion	45,315	391
Xuzhou	Upper East	43,140	554
	Lake City Mansion	25,999	298
Anqing	The Metropolis	108,593	844
Yangzhou	The Paragon	41,213	840
Jilin	Dong Shan Fu	57,101	439
	La Cite	58,950	360
Huai'an	Honor Mainstays	40,192	590
	Central Mansion	14,139	146
Nantong	Hills Scenery	34,389	720
Xining	Mountain and Lake	35,991	342
	Elite Palace	44,087	326
Weifang	Royal Villa	40,263	289
	Mansion	24,352	190
	The Riviera	33,019	176
Zunyi	New City of China	61,639	339
	The Central Mansion	23,361	246
Huizhou	Unique Palace	33,300	580
Ganzhou	The Paragon	27,322	577
Shaoxing	Marina One	17,539	541
Zibo	Genius Garden	67,947	523

Contracted property sales from major projects during the year ended 31 December 2023: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Langfang	Platinum Garden	48,159	440
Tianshui	The Platinum Pleased Mansion	36,151	368
Weinan	Master Mansion	50,037	314
Liuzhou	The Cullinan	21,332	305

* These projects are held by the joint ventures of the Group

During the year, gross floor area of nearly 7,370,100 sq.m. (2022: 7,319,100 sq.m.) of construction sites were completed for occupation and of which, about 83% (2022: 85%) had been sold at year end. The Group continued to focus on promoting sales in this turbulent market, and placed financial strength and resilience at its core to ensure sustainable business growth.

For the year ended 31 December 2023, the recognized revenue of the Group for this segment was RMB56,080 million (2022: RMB57,244 million), representing a decrease of 2.0% against last year. The revenue recognized for the year was mainly from the sales of high-rise residential projects. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, the gross profit margin of this segment for the year narrowed to 11.1% (2022: 14.2%) when compared to that of last year.

The Group jointly developed property development projects with reliable business partners under the business model of associates and joint ventures in various cities. The Group's share of net losses from the associates and joint ventures included in the segment result for the year amounted to RMB24 million (2022: RMB227 million). The decrease in net losses was mainly attributable by decrease in the share of losses from write-down of inventories of properties of certain joint ventures for the year.

Overall, due to a decrease in gross profit, the segment profit for the year decreased by 27.1% to RMB4,370 million (2022: RMB5,991 million).

Recognized revenue from major projects during the year ended 31 December 2023:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Hefei	Upper East	166,676	3,551
	Central Mansion	64,894	1,730
	Central Park	72,719	1,345
	Halo Park	74,920	1,218
	Vitality City	73,401	680
Hohhot	Hohhot Glorioushire	99,863	1,294
	Zhonghai Zhen Ru Fu	93,298	1,230
	Zhonghai He Shan Guan Lan	115,562	1,219
	Zhonghai He Shan Sheng Jing	94,594	950
	Zhonghai Shi Li Qing Chuan	86,377	940
Jinhua	The Central Mansion	154,033	4,370
Lanzhou	La Cite	235,024	3,002
	China Overseas Platinum Pleasid Mansion	35,650	378
	The Platinum Mansion	31,493	321
Yancheng	Gorgeous Mansion	143,967	2,014
	The Central Mansion	59,841	1,586
Tangshan	Maple Palace	101,629	2,036
	The Pogoda	63,315	1,117
Xining	Mountain and Lake	163,620	1,598
	Elite Palace	131,195	927
Changzhou	South Halcyon	149,031	2,093
Yinchuan	International Community	135,254	1,155
	The Royal Peninsula	110,234	914
Zhuzhou	Zhonghai Xue Fu Li	207,028	1,456
	Majestic Mansion	60,331	497
Jilin	La Cite	198,408	1,380
	Dong Shan Fu	80,064	558
Xuzhou	The Central Mansion	142,126	1,810
Anqing	The Metropolis	194,874	1,693
Baotao	Wang Jing Mansion	172,212	1,430
Shantou	The Riviera East City	53,474	488
	Platinum Mansion	46,608	406
Weifang	Royal Villa	123,314	854
Jiujiang	International Community	133,132	826
Yangzhou	The Paragon	43,837	791

The following projects had commenced the construction work in the year:

City	Name of project	Commenced by
Hefei	Skyline	January
Langfang	Platinum Garden	January
Lanzhou	La Cite	February
Nantong	Hills Scenery	April
Weinan	Master Mansion	April
Tangshan	Maple Palace	May
Anqing	The Metropolis	June
Hefei	Mount and Lake	June
Hohhot	River View Mansion	June
Shantou	Golden Coast	June
Tianshui	The Platinum Pleased Mansion	June
Yinchuan	Sea Advanced Collection	June
Hefei	Guan Shan Li [^]	August
Huai'an	Honor Mainstays	September
Taizhou	Royal Mansion	September
Yancheng	Origin of City	September
Hefei	Jewel Manor	October
Weifang	Da Guan Tian Xia	October
Weifang	The Riviera	October
Zhanjiang	Glorious City*	October
Zhenjiang	Zhenru Mansion	November
Ganzhou	River View Mansion	December
Quanzhou	Private Mansion	December
Quanzhou	Master Mansion	December
Zhuzhou	Elegance Mansion	December

* The project is held by a joint venture of the Group

[^] The project is held by an associate of the Group

At the year end, the gross floor area of properties under construction and stock of completed properties amounted to 11,672,900 sq.m. (2022: 16,080,100 sq.m.) and 2,692,400 sq.m. (2022: 2,114,700 sq.m.) respectively, totaling 14,365,300 sq.m. (2022: 18,194,800 sq.m.). Properties with gross floor area of 4,563,500 sq.m. (2022: 6,991,800 sq.m.) had been contracted for sales and were pending for handover upon completion.

PROPERTY LEASING

In respect of the property leasing business, the Group's strategy of maintaining a high-quality investment property portfolio generated stable recurring income for the Group.

For the year ended 31 December 2023, rental income amounted to RMB242 million (2022: RMB234 million). The increase in revenue was mainly attributed by the rental income derived from the investment properties newly-added to the portfolio as mentioned below. In respect of the investment properties, no fair value adjustment was recognized for the year (2022: Nil).

The Group holds 65% of equity interest of a scientific research office building in Zhang Jiang High-tech Zone in Shanghai. The Group's share of profit from the joint venture, which holds the above research office building, was RMB5 million (2022: RMB3 million) for the year and was included in the segment result for the year.

Overall, the segment profit for the year increased by RMB13 million against that for last year to RMB165 million (2022: RMB152 million).

During the year, taking into consideration market conditions and its business plans, the Group decided to change the uses for five commercial properties in Changzhou, Hefei, Hohhot and Nanning from inventories of properties held for sale to investment properties for leasing out to generate rental income. Those newly added investment properties of office buildings and shopping malls amounted to an aggregate carrying amount of RMB634 million, adding an additional gross floor area of 89,300 sq.m., and achieving quality growth in the investment properties portfolio. No fair value adjustments on such reclassifications were recognized.

As at 31 December 2023, the investment properties held by the Group amounted to an aggregate carrying amount of RMB4,622 million (2022: RMB4,279 million).

OTHER OPERATIONS

In respect of the other operations, the Group mainly engages in hotel operations and generates service fee income in relation to hotel operation and other ancillary services.

During the year, the Group decided to self-operate two hotels in Huizhou and Shantou, which were previously classified as investment properties.

For the year ended 31 December 2023, income from other operations amounted to RMB86 million (2022: RMB14 million). The increase in revenue was mainly attributed by the service fee income derived from the newly-added self-operated hotels in Huizhou and Shantou as mentioned above. The segment loss for the year amounted to RMB194 million (2022: RMB57 million).

FINANCIAL RESOURCES AND LIQUIDITY

The Group has consistently adopted prudent financial management approach and its financial condition remained healthy. The Company and its subsidiaries have gained multiple accesses to funds from both investors and financial institutions in Mainland China and international market to meet its requirements in working capital, refinancing and project development. During the year, onshore and offshore financing channels remained readily accessible, underscoring the Group's competitive strengths.

During the year, the Group secured an aggregate amount of RMB13,285 million of new credit facilities from leading financial institutions. After taking into account drawdowns of RMB11,539 million, repayment of loans of RMB19,914 million and increase of RMB279 million due to the translation effect, total bank and other borrowings (excluding guaranteed notes and corporate bonds) decreased by RMB8,096 million as compared to that at last year end to RMB34,909 million (2022: RMB43,005 million).

To address rising trends in HKD interest rates during the year, the Group accelerated refinancing of HKD bank loans into RMB loans. This helped control the Group's financing costs.

As at 31 December 2023, the total bank and other borrowings (excluding guaranteed notes and corporate bonds) included RMB loans of RMB24,380 million (2022: RMB27,631 million) and HKD loans of HK\$11,595 million (equivalent to RMB10,529 million) (2022: HK\$17,210 million <equivalent to RMB15,374 million>). About 69.8% and 30.2% (2022: 64.3% and 35.7%) of the Group's total bank and other borrowings (excluding guaranteed notes and corporate bonds) were denominated in RMB and HKD respectively.

As at 31 December 2023, bank and other borrowings amounted to RMB9,513 million (2022: RMB5,940 million) were charged at fixed interest rates ranging from 3.5% to 4.9% (2022: 2.7% to 5.1%) per annum, while the remaining bank and other borrowings of RMB25,396 million (2022: RMB37,065 million) were charged at floating interest rates ranging from 2.6% to 7.6% (2022: 3.0% to 6.9%) per annum. About 27.2% and 72.8% (2022: 13.8% and 86.2%) of the Group's total bank and other borrowings (excluding guaranteed notes and corporate bonds) were charged at fixed and floating interest rates respectively. About 38.8% (2022: 28.3%) of bank and other borrowings is repayable within one year.

In addition, under the favourable corporate financing environment in Mainland China, the Group has been actively exploring new financing channels. During the year, the Group successfully issued additional tranches of onshore corporate bonds, totalling an aggregate amount of RMB4,000 million. Those tranches of bonds had maturities of three to five years with coupon rates of 3.05% to 3.90% per annum, which included the industry's first corporate credit carbon neutrality bond in Mainland China, with a value of RMB500 million at a coupon rate of 3.05% per annum. Furthermore, the Group secured multiple financings in the Mainland at lower interest rates, effectively controlling financing costs and maintaining the Group's cost of funds at the low end within the industry.

As at 31 December 2023, guaranteed notes and corporate bonds amounted to RMB3,655 million (2022: RMB3,593 million) and RMB5,000 million (2022: RMB1,000 million), respectively, totaling RMB8,655 million (2022: RMB4,593 million).

To rein in financing costs, the Group worked to reduce its debt levels during the year. As at 31 December 2023, the Group's total borrowings (including guaranteed notes and corporate bonds) amounted to RMB43,564 million (2022: RMB47,598 million), which decreased by RMB4,034 million and of which about 67.4% and 32.6% (2022: 60.2% and 39.8%) were denominated in RMB and HKD/USD respectively. The increase in the ratio of total borrowings denominated in RMB was mainly due to the significant increase in the ratio of offshore bank borrowings denominated in RMB during the year.

For the year ended 31 December 2023, in respect of total borrowing (including guaranteed notes and corporate bonds) of the Group, the weighted average borrowing cost for the year was 4.6% (2022: 4.2%) per annum. The increase in borrowing cost was largely driven Hong Kong Interbank Offered Rate ("HIBOR") holding at elevated levels throughout the year, resulting in the increase in weighted average borrowing cost for offshore borrowings of the Group from 3.1% per annum during the prior year to 5.2% per annum during the current year, which offset the effect of the decrease in weighted average borrowing cost of onshore borrowings of the Group from 4.9% per annum during the prior year to 4.3% per annum during the current year.

Sales deposits collection from properties sales remained satisfactory during the year. Cash and bank balances was RMB26,021 million (2022: RMB29,331 million) in total as at 31 December 2023, which decreased by RMB3,310 million against that as at last year end and was mainly used to repay a portion of the debt during the year. Cash and bank balances accounted for 17.1% of the Group's total assets as at 31 December 2023 (2022: 16.2%), which maintained at a healthy level. Of which, 98.9% (2022: 98.8%) was denominated in RMB while the remaining were in HKD and USD.

As at 31 December 2023, net working capital of the Group amounted to RMB62,329 million (2022: RMB67,438 million), with a current ratio of 1.8 (2022: 1.6).

As at 31 December 2023, the net gearing ratio, expressed as a percentage of net debts (i.e. total borrowings, including guaranteed notes and corporate bonds, net of cash and bank balances and restricted cash and deposits) to total equity, was 46.0% (2022: 48.8%). The management closely monitors the financial position of the Group to ensure healthy development of the operation scale and business.

Besides, according to the “Three Red Lines” real estate financial supervision policy in Mainland China, as at 31 December 2023, the liabilities-to-assets ratio (excluding receipts in advances) was 65.7% (2022: 68.7%); net gearing ratio was 46.0% (2022: 48.8%) and cash-to-short-term debt ratio was 1.5 times (2022: 1.6 times). Therefore, the Group did not breach any of the red lines and maintained as a “Green Category” enterprise.

Taking into account of the unutilized bank credit facilities available to the Group of RMB10,636 million (2022: RMB10,971 million), the Group’s total available funds (including cash and bank balances) reached RMB36,657 million (2022: RMB40,302 million) as at 31 December 2023.

In view of rapidly-changing property and capital market conditions and government policies and regulations, liquidity risk management is essential to support the sustainability of business growth of the Group. The Group continues to implement centralized management policies in financing and cash management, maintains good cash flow and minimizes its financial risks to ensure healthy operations and financial positions. While the international environment is complex and dynamic and financial market is also volatile, the Group maintains close communication with financial institutions, and ensures the continual fulfillment of the financial covenants and receiving of continual supports from all parties.

The Group has not entered into any financial derivatives either for hedging or speculative purpose during the year.

The Group regularly re-evaluates its operational and investment status, monitors the financial market and explores opportunities to invest in property development projects in co-operation with reliable business partners through the business models of associates and joint ventures to improve its capital structure continuously.

FOREIGN EXCHANGE EXPOSURE

As the Group conducted its sales, receivables and payables, expenditures and part of the borrowings in RMB for its property development business in Mainland China, the management considered a natural hedge mechanism existed in that operation. However, as at 31 December 2023, about 32.6% (2022: 39.8%) of the Group's total borrowings (including guaranteed notes and corporate bonds) were still denominated in HKD/USD. Hence, by taking into account of the debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The exchange rate of RMB to HKD depreciated by approximately 1.6% (2022: 8.5%) during the year and accordingly, the net asset value of the Group decreased by RMB292 million (2022: RMB1,643 million) which arose from currency translation.

To better manage foreign exchange risks while lowering finance costs arising from the HKD bank borrowing with higher market interest rates, the Group is in the process of continuing to raise the proportion of RMB borrowing in its entire borrowings portfolio according to market conditions in the upcoming year.

COMMITMENTS AND GUARANTEE

As at 31 December 2023, the Group had commitments totaling RMB16,558 million (2022: RMB26,489 million) which mainly related to land premium, property development and construction works. In addition, the Group issued guarantees to banks for facilitating end-user mortgages in connection with its property sales in Mainland China as a usual commercial practice with an amount of RMB23,857 million (2022: RMB32,902 million) and for the credit facilities granted to an associate and a joint venture with an aggregate amount of RMB430 million (2022: RMB455 million).

CAPITAL EXPENDITURE AND CHARGES ON ASSETS

The Group had capital expenditures totaling RMB88 million (2022: RMB25 million) during the year, mainly included additions of investment properties, right-of-use assets, as well as additions of land and buildings, vehicles and furniture, fixtures and office equipment within property, plant and equipment.

On the other hand, as at 31 December 2023, certain properties in Mainland China with aggregate carrying value of RMB14,327 million (2022: RMB11,783 million) were pledged to obtain RMB3,583 million (2022: RMB3,764 million) of secured borrowings from certain banks in Mainland China for the property development projects.

EMPLOYEES

As at 31 December 2023, the Group has 2,586 employees (2022: 3,061). The decrease in the number of employees was mainly due to the streamline of organizational structure and staffing to meet the requirements of different development stages of the Group during the year.

The Group is keen to motivate and nourish talent and reviews the remuneration policies and packages on a regular basis to recognize employee contributions and respond to changes in the employment market. The total staff costs incurred for the year ended 31 December 2023 was approximately RMB962 million (2022: RMB1,014 million). The pay levels of the employees are determined based on their responsibilities, performance and the prevailing market condition. Discretionary bonus was paid to employees based on individual performance while other remuneration and benefits, including the provident fund contributions/ retirement pension scheme, remained at appropriate levels. Different trainings and development opportunities continued to be offered to sharpen employees' capabilities to meet the pace of business growth.

KEY RISKS FACTORS AND UNCERTAINTIES

The Group monitors the development of the industry on regular basis and timely assesses different types of risks in order to formulate proper strategies to minimize the impact to the Group. The following contents list out the key risks and uncertainties identified by the Group:

DEBT REPAYMENT RISK

Financial markets are complex and volatile. As a capital-intensive sector, cash flow management is a key risk for property developers. Risks include potential shortfalls in expected sales receipts or the inability to refinance maturing debt. In addition, peer credit performance, changing regulations, geopolitics and shifting macroeconomic conditions could affect the Group's funding access and increase working capital pressures.

The Group will continue accelerating property sales and cash collection while replenishing land bank reserves prudently. It will also appropriately adjust the development pace according to market conditions, strengthen inventory management and explore diversified funding channels to ensure robust cash flows and maintain a strong financial position. The Group aims to sustain good cooperation with financial institutions and meet financing commitments and regulatory requirements.

MARKET RISK

The real estate market of Mainland China is susceptible to different factors such as government policies and regulations, economic growth, social environment, customer demands, etc.

The Group closely monitors changes in the business environment and regulations, and timely evaluates their impact to formulate sustainable development strategies. It will further boost product research and development, improve standardization, and gradually increase the supply of renovated flats to cater to customer demand changes. This enhances project quality. Additionally, construction schedules will be flexibly adjusted based on sales performance to ensure supply while reducing potential inventory pressure.

INVESTMENT RISK

The property market in Mainland China diverges with uneven growth among different cities and districts. Under the city-specific policies, it is critical for the Group to replenish and acquire suitable land bank at suitable sites at reasonable price for healthy and sustainable growth.

The Group sticks firmly to its prudent investment approach and expands its operating scale in an organized manner. The Group would continue to perform comprehensive due diligence review on new business opportunities and selected cautiously appropriate projects meeting its requirements for investment. At the same time, co-operation with strong and reputable corporations for developing projects jointly are considered to balance operational risks.

FOREIGN EXCHANGE RISK

In recent years, volatility in RMB's exchange rate has increased due to global economic uncertainties. Under the existing debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The Group continues to strengthen currency risk management. Management closely monitors market moves to optimize the currency mix in loans, balancing financing costs and risks. It will also monitor RMB fluctuations and optimize the RMB to HKD/USD debt portfolio mix as needed. Different funding options are also evaluated to mitigate risks from foreign exchange movements.

PRODUCT QUALITY RISK

Property developer has to manage the risk of work quality of major contractors. Reputation of the developer would be affected by sub-standard housing products arising from improper work procedures and poor site management.

With extensive experience in the property development business, the Group has established a well-defined quality assessment system and would strictly regulate the construction work process in order to ensure smooth progress and quality assurance of the property development projects.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Revenue	4	56,408,144	57,492,018
Cost of sales and services provided		<u>(50,096,691)</u>	<u>(49,215,834)</u>
Gross profit		6,311,453	8,276,184
Other income		479,186	638,570
Distribution and selling expenses		(1,551,916)	(1,632,182)
Administrative expenses		(896,268)	(925,921)
Other operating expenses		<u>(135,824)</u>	<u>(91,079)</u>
Operating profit		4,206,631	6,265,572
Finance costs		(65,237)	(63,400)
Share of results of associates		1,450	18,853
Share of results of joint ventures		<u>(20,131)</u>	<u>(242,314)</u>
Profit before income tax	6	4,122,713	5,978,711
Income tax expense	7	<u>(2,097,753)</u>	<u>(2,922,587)</u>
Profit for the year		<u>2,024,960</u>	<u>3,056,124</u>
Profit/(Loss) for the year attributable to:			
Owners of the Company		2,301,686	3,150,440
Non-controlling interests		<u>(276,726)</u>	<u>(94,316)</u>
		<u>2,024,960</u>	<u>3,056,124</u>
		RMB Cents	RMB Cents
Earnings per share	9		
Basic		<u>64.7</u>	<u>90.7</u>
Diluted		<u>64.7</u>	<u>90.7</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	RMB'000	RMB'000
Profit for the year	<u>2,024,960</u>	<u>3,056,124</u>
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss</i>		
Changes in fair value of equity instruments at fair value through other comprehensive income	-	310
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences arising from translation into presentation currency	<u>(291,831)</u>	<u>(1,642,825)</u>
Other comprehensive income for the year, net of tax	<u>(291,831)</u>	<u>(1,642,515)</u>
Total comprehensive income for the year	<u>1,733,129</u>	<u>1,413,609</u>
Total comprehensive income attributable to:		
Owners of the Company	2,009,855	1,507,925
Non-controlling interests	<u>(276,726)</u>	<u>(94,316)</u>
	<u>1,733,129</u>	<u>1,413,609</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000 (Re-presented)
Assets and liabilities			
Non-current assets			
Investment properties		4,621,513	4,279,204
Property, plant and equipment		817,233	773,627
Right-of-use assets		353,686	257,133
Interests in associates		328,085	182,635
Interests in joint ventures		568,035	686,896
Deferred tax assets		1,707,562	1,876,676
		<u>8,396,114</u>	<u>8,056,171</u>
Current assets			
Inventories of properties		107,119,484	131,891,355
Other inventories		2,820	4,165
Contract costs		75,217	128,524
Trade and other receivables	<i>10</i>	777,512	703,545
Prepayments and deposits		4,017,266	4,991,913
Amounts due from associates		888,880	853,767
Amounts due from joint ventures		373,496	439,499
Amounts due from non-controlling shareholders		2,764,690	1,991,575
Tax prepaid		1,594,372	2,390,421
Cash and bank balances	<i>11</i>	26,020,603	29,330,896
		<u>143,634,340</u>	<u>172,725,660</u>
Current liabilities			
Trade and other payables	<i>12</i>	17,567,987	20,830,621
Contract liabilities		40,829,178	61,157,740
Amounts due to associates		43,411	10,516
Amounts due to joint ventures		269,054	287,318
Amounts due to non-controlling shareholders		5,673,611	6,199,342
Amounts due to related companies – due within one year		186,119	261,145
Lease liabilities – due within one year		11,664	14,852
Taxation liabilities		3,169,088	4,348,917
Bank and other borrowings – due within one year		13,555,442	12,176,911
		<u>81,305,554</u>	<u>105,287,362</u>
Net current assets		<u>62,328,786</u>	<u>67,438,298</u>
Total assets less current liabilities		<u>70,724,900</u>	<u>75,494,469</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

	2023 RMB'000	2022 RMB'000 (Re-presented)
Non-current liabilities		
Bank and other borrowings – due after one year	21,353,371	30,828,251
Lease liabilities – due after one year	24,487	35,945
Guaranteed notes and corporate bonds – due after one year	8,655,350	4,593,302
Amount due to a related company – due after one year	75,026	-
Deferred tax liabilities	2,487,150	2,635,819
	<u>32,595,384</u>	<u>38,093,317</u>
Net assets	<u>38,129,516</u>	<u>37,401,152</u>
Capital and reserves		
Share capital	6,047,372	6,047,372
Reserves	25,256,160	23,894,824
Equity attributable to owners of the Company	31,303,532	29,942,196
Non-controlling interests	6,825,984	7,458,956
Total equity	<u>38,129,516</u>	<u>37,401,152</u>

1. GENERAL INFORMATION

China Overseas Grand Oceans Group Limited (the “Company”) is a limited liability company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”), the People’s Republic of China (the “PRC”) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office and principal place of business is Suites 701-702, 7/F., Three Pacific Place, 1 Queen’s Road East, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively, the “Group”) mainly comprise property investment and development, property leasing and investment holding. The Group’s business activities are principally carried out in certain regions in the PRC.

The Company is an associated company of China Overseas Land & Investment Limited (“COLI”). COLI is a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange. COLI’s ultimate holding company is 中國建築集團有限公司 China State Construction Engineering Corporation*, an entity established in the PRC.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the provisions of the Hong Kong Companies Ordinance (“Companies Ordinance”) which concern the preparation of financial statements. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results 2023 does not constitute the Company’s statutory annual consolidated financial statements for those years 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 Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2023 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. 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 reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The consolidated financial statements for the year ended 31 December 2023 were approved and authorized for issue by the Board on 25 March 2024.

* *English translation is for identification only*

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair value.

Certain comparative figures of prior years have been re-presented to conform with current year's presentation.

All values are rounded to the nearest thousand except otherwise indicated.

3. ADOPTION OF HKFRS

3.1 Adoption of new or revised HKFRS – effective 1 January 2023

In the current year, the Group has applied for the first time the following new standards and amendments issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12 HKFRS 17	International Tax Reform - Pillar Two Model Rules Insurance Contracts

The adoption of these new standards and amendments to HKFRS did not have material impact on the Group's results and financial position.

3. ADOPTION OF HKFRS (CONTINUED)

3.2 Amendments to HKFRS that have been issued but not yet effective

The following amendments to HKFRS, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
HK-Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The above amendments to HKFRS that have been issued but are not yet effective are not expected to have material impact on the Group's results and financial position upon application.

4. REVENUE

The principal activities of the Group are disclosed in note 1. Revenue derived from the Group's principal activities comprises of the followings:

	2023 RMB'000	2022 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
- Sales of properties	56,079,725	57,244,150
- Hotel and other services income	85,960	14,340
	56,165,865	57,258,490
Revenue from other sources		
- Property rental income	242,459	233,528
Total revenue	56,408,144	57,492,018

5. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's most senior management for the purposes of resources allocation and assessment of segment performance. The Group has identified two reportable segments and one other segment for its operating segments as follows:

Property investment and development	—	This segment constructs mainly residential and commercial properties in the PRC. Part of the business is carried out through associates and joint ventures.
Property leasing	—	This segment mainly holds office units, commercial units and hotel properties located in the PRC for leasing to generate rental income and gain from appreciation in the properties' values in the long-term. Part of the business is carried out through a joint venture.
Other segment	—	This segment mainly engages in hotel operations and generates service fee income in relation to hotel operation and other ancillary services.

5. SEGMENT INFORMATION (CONTINUED)

Revenue and expenses are allocated to the reportable segments with reference to the sales generated by those segments and the expenses incurred by those segments. Segment revenue represents revenue from external customers and there were no inter-segment sales between different operating segments during the current and prior year. Segment profit/loss includes the Group's share of profit/loss arising from the activities of the Group's associates and joint ventures. Reportable segment profit/loss excludes corporate income and expenses and finance costs from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of tax assets and corporate assets, including certain cash and bank balances and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade and other payables, accrued liabilities, amounts due to associates, joint ventures, non-controlling shareholders and related companies and other liabilities directly attributable to the business activities of the operating segments and exclude tax liabilities, corporate liabilities and liabilities such as bank and other borrowings, guaranteed notes and corporate bonds and certain amounts due to related companies that are managed on a group basis.

Disaggregation of revenue by timing of revenue recognition

Disaggregation of revenue by timing of revenue recognition is set out as follows:

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2023</i>				
Revenue from contracts with customers disaggregated by timing of revenue recognition				
- Goods transferred at a point in time	56,079,725	-	-	56,079,725
- Services transferred over time	-	-	85,960	85,960
	56,079,725	-	85,960	56,165,685
Revenue from other sources				
- Rental income	-	242,459	-	242,459
	56,079,725	242,459	85,960	56,408,144

5. SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue by timing of revenue recognition (Continued)

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2022</i>				
Revenue from contracts with customers disaggregated by timing of revenue recognition				
- Goods transferred over time	322,624	-	-	322,624
- Goods transferred at a point in time	56,921,526	-	-	56,921,526
- Services transferred over time	-	-	14,340	14,340
	57,244,150	-	14,340	57,258,490
Revenue from other sources				
- Rental income	-	233,528	-	233,528
	57,244,150	233,528	14,340	57,492,018

Segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit/loss, segment assets, segment liabilities, reconciliations to revenue, profit before income tax, total consolidated assets and total consolidated liabilities, and other segment information are as follows:

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2023</i>				
Reportable segment revenue	56,079,725	242,459	85,960	56,408,144
Reportable segment profit/(loss)	4,370,431	165,238	(193,582)	4,342,087
Corporate income				8,307
Finance costs				(65,237)
Other corporate expenses				(162,444)
Profit before income tax				4,122,713

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Consolidated RMB'000
<i>As at 31 December 2023</i>				
Reportable segment assets	142,527,715	4,905,281	785,636	148,218,632
Tax assets				3,301,934
Corporate assets [^]				509,888
Total consolidated assets				152,030,454
Reportable segment liabilities	64,411,120	70,595	16,492	64,498,207
Tax liabilities				5,656,238
Bank and other borrowings				34,908,813
Guaranteed notes and corporate bonds				8,655,350
Amount due to a related company				75,026
Other corporate liabilities				107,304
Total consolidated liabilities				113,900,938
<i>For the year ended 31 December 2022</i>				
Reportable segment revenue	57,244,150	233,528	14,340	57,492,018
Reportable segment profit/(loss)	5,991,235	152,404	(56,796)	6,086,843
Corporate income				54,804
Finance costs				(63,400)
Other corporate expenses				(99,536)
Profit before income tax				5,978,711
<i>As at 31 December 2022</i>				
Reportable segment assets	170,887,294	4,509,552	564,006	175,960,852
Tax assets				4,267,097
Corporate assets [^]				553,882
Total consolidated assets				180,781,831
Reportable segment liabilities	88,619,360	56,164	450	88,675,974
Tax liabilities				6,984,736
Bank and other borrowings				43,005,162
Guaranteed notes and corporate bonds				4,593,302
Amount due to a related company				75,026
Other corporate liabilities				46,479
Total consolidated liabilities				143,380,679

[^] Corporate assets as at 31 December 2023 mainly included property, plant and equipment of RMB76,564,000 (2022: RMB86,352,000), right-of-use assets of RMB96,051,000 (2022: RMB102,619,000) and cash and bank balances of RMB335,150,000 (2022: RMB363,761,000), which are managed on a group basis.

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

Other information

	Property investment and development RMB'000	Property leasing RMB'000	Other segment RMB'000	Corporate RMB'000	Consolidated RMB'000
<i>For the year ended 31 December 2023</i>					
Interest income	363,211	794	9	8,307	372,321
Depreciation	27,244	8,250	64,727	16,587	116,808
Gain on disposal of property, plant and equipment	208	2	11	-	221
Impairment of property, plant and equipment	-	-	81,460	-	81,460
Write-off of property, plant and equipment	1	-	39,971	-	39,972
Write-down of inventories of properties	1,452,605	-	-	-	1,452,605
Share of profit of associates	1,450	-	-	-	1,450
Share of (loss)/profit of joint ventures	(25,057)	4,926	-	-	(20,131)
Additions to specified non-current assets [#]	145,506	58,000	27,984	20	231,510
<i>As at 31 December 2023</i>					
Interests in associates	328,085	-	-	-	328,085
Interests in joint ventures	444,264	123,771	-	-	568,035
<i>For the year ended 31 December 2022</i>					
Interest income	355,963	548	16	1,675	358,202
Depreciation	30,531	2,766	44,045	17,361	94,703
Gain on disposal of property, plant and equipment	173	-	6	-	179
Write-off of property, plant and equipment	10	-	21	-	31
Write-down of inventories of properties	2,673,218	-	-	-	2,673,218
Write-back of trade and other payables	31,582	-	-	-	31,582
Share of profit of associates	18,853	-	-	-	18,853
Share of (loss)/profit of joint ventures	(245,575)	3,261	-	-	(242,314)
Additions to specified non-current assets [#]	49,711	23,000	116	16,932	89,759
<i>As at 31 December 2022</i>					
Interests in associates	182,635	-	-	-	182,635
Interests in joint ventures	568,051	118,845	-	-	686,896

[#] Including additions to the Group's investment properties, other properties, plant and equipment, right-of-use assets, interests in associates and joint ventures (i.e. "specified non-current assets"), but excluded those additions arising from transfers between inventories of properties, investment properties and owner-occupied properties.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

All of the Group's revenue is derived from activities conducted in the PRC excluding Hong Kong. Accordingly, no analysis of the Group's revenue by geographical locations is presented.

An analysis of the Group's specified non-current assets by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates and joint ventures, is as follows:

	2023 RMB'000	2022 RMB'000
Hong Kong	12,655	16,840
Other regions of the PRC	6,675,897	6,162,655
	6,688,552	6,179,495

Information about major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2023 and 2022.

6. PROFIT BEFORE INCOME TAX

	2023 RMB'000	2022 RMB'000
Profit before income tax is arrived at after charging:		
Depreciation:		
Property, plant and equipment	91,975	69,155
Right-of-use assets	24,833	25,548
Total depreciation	116,808	94,703
Impairment of property, plant and equipment*	81,460	-
Write-down of inventories of properties*	1,452,605	2,673,218

* included in "Cost of sales and services provided" in the consolidated income statement

7. INCOME TAX EXPENSE

	2023 RMB'000	2022 RMB'000
Current tax for the year		
Hong Kong profits tax	-	-
Other regions of the PRC		
- Enterprise income tax ("EIT")	1,676,152	2,447,618
- Land appreciation tax ("LAT")	532,143	725,857
	2,208,295	3,173,475
Over-provision in prior years		
Other regions of the PRC	(130,987)	(3,943)
Deferred tax	20,445	(246,945)
	2,097,753	2,922,587

7. INCOME TAX EXPENSE (CONTINUED)

No Hong Kong profits tax has been provided in the consolidated financial statements as the Group did not derive any estimated assessable profits in Hong Kong for the current year and in prior year.

EIT arising from other regions of the PRC is calculated at 25% (2022: 25%) on the estimated assessable profits.

PRC LAT is levied at progressive rates from 30% to 60% (2022: 30% to 60%) on the estimated appreciation of land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights and development and construction expenditure.

8. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

	2023 RMB'000	2022 RMB'000
Interim dividend – HK\$0.05 (2022: HK\$0.06) per ordinary share	163,454	184,871
Proposed final dividend – HK\$0.11 (2022: HK\$0.15) per ordinary share (<i>note</i>)	355,517	476,957
	<u>518,971</u>	<u>661,828</u>

Note:

The final dividend in respect of 2023 of HK\$0.11 (2022: HK\$0.15) per ordinary share, amounting to HK\$391,531,000, equivalent to approximately RMB355,517,000 (2022: HK\$533,906,000, equivalent to approximately RMB476,957,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

(b) Dividends payable to owners of the Company attributable to the previous financial year:

	2023 RMB'000	2022 RMB'000
Final dividend in respect of previous financial year, approved and paid during the year of HK\$0.15 (2022: HK\$0.30) per ordinary share	491,264	878,160*

- * The approved 2021 final dividend totalling HK\$1,027,008,000, equivalent to RMB878,160,000 at the date of the annual general meeting, were settled partly by new shares of the Company and partly in cash in August 2022. The number of ordinary shares issued as scrip dividends was 136,014,891 and the total amount paid as scrip dividend was HK\$541,883,000, equivalent to approximately RMB468,272,000, while cash dividend amounted to HK\$485,125,000, equivalent to approximately RMB409,888,000.

9. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to owners of the Company are based on the following data:

	2023 RMB'000	2022 RMB'000
Earnings		
Profit for the year attributable to owners of the Company	2,301,686	3,150,440
	2023 '000	2022 '000
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year	3,559,375	3,474,785

Diluted earnings per share for the years ended 31 December 2023 and 2022 are same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during the current and prior year.

10. TRADE AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	159,010	45,138
Other receivables	618,502	658,407
	777,512	703,545

The ageing analysis of the Group's trade receivables based on invoice date or when appropriate, date of transfer of property, is as follows:

	2023 RMB'000	2022 RMB'000
30 days or below	49,328	15,343
31 – 60 days	282	548
61 – 90 days	113	297
91 – 180 days	89,779	6,552
181 – 360 days	14,889	291
Over 360 days	4,619	22,107
	159,010	45,138

The credit terms in connection with sales of properties granted to the buyers are set out in the sale and purchase agreements and vary for different agreements. Rentals receivable from tenants and service income receivable from customers are generally due on presentation of invoices.

As at 31 December 2023, no material provision was made against the gross amount of trade receivables and other receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of unrelated customers.

11. CASH AND BANK BALANCES

At 31 December 2023, cash and bank balances included cash and cash equivalents of RMB20,063,626,000 (2022: RMB19,433,181,000) and other bank balances of RMB5,956,977,000 (2022: RMB9,897,715,000), which mainly represented presale proceeds from sales of properties in the PRC and was subject to usage restrictions.

12. TRADE AND OTHER PAYABLES

	2023 RMB'000	2022 RMB'000
Trade payables	15,887,120	18,748,443
Other payables and accruals	1,256,432	1,723,560
Deposits received	424,435	358,618
	<u>17,567,987</u>	<u>20,830,621</u>

The ageing analysis of the Group's trade payables based on invoice date or contract terms, where appropriate, is as follows:

	2023 RMB'000	2022 RMB'000
30 days or below	5,916,179	7,190,923
31 – 60 days	644,730	591,383
61 – 90 days	335,179	755,721
91 – 180 days	1,769,715	2,375,782
181 – 360 days	2,554,464	3,110,061
Over 360 days	4,666,853	4,724,573
	<u>15,887,120</u>	<u>18,748,443</u>

PROPOSED FINAL DIVIDEND

After reviewing the working capital requirements for the Group's future expansion of its business, the Board has recommended the payment of a final dividend of HK11 cents per share for the year ended 31 December 2023. Together with an interim dividend of HK5 cents per share, the total dividend for the whole year amounted to HK16 cents per share, HK5 cents decrease compared with the total dividend of HK21 cents per share for the previous year.

The proposed final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company (the "AGM") and the final dividend warrant is expected to be despatched to the shareholders of the Company at their own risk on or around 16 July 2024.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the AGM, and entitlement to the proposed final dividend, the Company's Register of Members will be closed as set out below:

(i) For determining eligibility to attend and vote at the AGM:

- | | |
|---|---|
| - Latest time to lodge transfer documents for registration with the Company's share registrar | At 4:30 p.m. on 18 June 2024 |
| - Closure of Register of Members | 19 June 2024 to 24 June 2024
(both days inclusive) |
| - Record date | 24 June 2024 |

(ii) For determining entitlement to the final dividend:

- | | |
|---|------------------------------|
| - Ex-dividend date | 26 June 2024 |
| - Latest time to lodge transfer documents for registration with the Company's share registrar | At 4:30 p.m. on 27 June 2024 |
| - Closure of Register of Members | 28 June 2024 |
| - Record date | 28 June 2024 |

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 24 June 2024 at 10:00 a.m. The notice of the AGM, which constitutes part of a circular to shareholders of the Company, will be sent to the shareholders of the Company in due course.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's external auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee of the Company has discussed with management and reviewed the Group's annual results and consolidated accounts for the year ended 31 December 2023.

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 year ended 31 December 2023 and up to the date of this announcement.

On 9 February 2021, the Company and China Overseas Grand Oceans Finance IV (Cayman) Limited (“COGO Cayman IV”, a wholly-owned subsidiary of the Company) announced the issuance of US\$512,000,000 2.45 per cent. guaranteed notes due 2026 (the “2021 Guaranteed Notes”). The 2021 Guaranteed Notes are guaranteed by the Company irrevocably and unconditionally and listed on the Stock Exchange. The net proceeds, after deducting the fees and other expenses in connection with the issuance of the 2021 Guaranteed Notes, amounted to approximately US\$509.9 million, which are used to repay and/or refinance the existing indebtedness of the Group, and for general corporate purposes.

On 26 July 2022, 中海宏洋地產集團有限公司 (China Overseas Grand Oceans Property Group Company Limited* (“COGOP”), a wholly-owned subsidiary of the Company), established the COGOP Receivable Asset-backed Scheme 2022 Phase I due August 2023 (the “ABS Scheme”), under which senior asset-backed securities in the principal amount of RMB700,000,000 and subordinated asset-backed securities in the principal amount of RMB37,000,000 were issued and guaranteed by the Company. The senior asset-backed securities with the interest rate of 2.7% were subscribed by qualified investors and are listed on the Shanghai Stock Exchange, and the subordinated asset-backed securities were subscribed by COGOP. The net proceeds, after deducting the expenses in connection with the issuance of the asset-backed securities, amounted to approximately RMB736,401,000, were used for the working capital and business development. On 25 July 2023, the ABS Scheme was fully settled.

On 21 October 2022, COGOP completed the issuance of the first tranche of 2022 corporate bond due October 2025 (the “2022 Corporate Bond”) in the principal amount of RMB1,000,000,000 with the interest rate of 3.4% which is irrevocably and unconditionally guaranteed by the Company and listed on the Shanghai Stock Exchange. The net proceeds, after deducting the expenses in connection with the issuance of the 2022 Corporate Bond, amounted to approximately RMB998,063,000, which are used for mergers and acquisitions of development projects, and exchanging the initial capital invested in development projects.

On 24 February 2023, COGOP completed the issuance of the first tranche of 2023 corporate bond due February 2026 (the “2023 Corporate Bond (First Tranche)”) in the principal amount of RMB1,000,000,000 with the interest rate of 3.9% which is irrevocably and unconditionally guaranteed by the Company and listed on the Shanghai Stock Exchange. The net proceeds, after deducting the expenses in connection with the issuance of the 2023 Corporate Bond (First Tranche), amounted to approximately RMB998,600,000, which are used for repaying the interest-bearing debts and replenishing working capital.

On 31 March 2023, COGOP completed the issuance of the second tranche of 2023 corporate bond due April 2028 (the “2023 Corporate Bond (Second Tranche)”) in the principal amount of RMB1,200,000,000 with the interest rate of 3.8% which is irrevocably and unconditionally guaranteed by the Company and listed on the Shanghai Stock Exchange. The net proceeds, after deducting the expenses in connection with the issuance of the 2023 Corporate Bond (Second Tranche), amounted to approximately RMB1,198,320,000, which are used for repaying the interest-bearing debts.

On 6 June 2023, COGOP completed the issuance of the first tranche of 2023 carbon neutrality green corporate bond due June 2027 (the “2023 Green Bond (First Tranche)”) in the principal amount of RMB500,000,000 with the interest rate of 3.05% which is irrevocably and unconditionally guaranteed by the Company and listed on the Shanghai Stock Exchange. The net proceeds, after deducting the expenses in connection with the issuance of the 2023 Green Bond (First Tranche), amounted to approximately RMB499,300,000, which are used for repayment of the green project’s loan and green project development.

On 20 November 2023, COGOP completed the issuance of the third tranche of 2023 corporate bond due November 2027 (the “2023 Corporate Bond (Third Tranche)”) in the principal amount of RMB1,300,000,000 with the interest rate of 3.65% which is irrevocably and unconditionally guaranteed by the Company and listed on the Shanghai Stock Exchange. The net proceeds, after deducting the expenses in connection with the issuance of the 2023 Corporate Bond (Third Tranche), amounted to approximately RMB1,298,180,000, which are used for repaying the interest-bearing debts and replenishing working capital.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by directors of the Company (the “Code of Conduct”), on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules.

Having made specific inquiries to all directors of the Company, they confirmed that they have complied with the Code of Conduct throughout the year of 2023.

CORPORATE GOVERNANCE PRACTICE

The Group strives to raise the standards of corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and senior management on abiding by the standards of corporate governance, as well as the commitment to maintain transparency and accountability to maximise the value of the shareholders of the Company as a whole.

The Company has applied the corporate governance principles and complied with all the code provisions (where applicable, some of the recommended best practices) set out in the Corporate Governance Code in Appendix C1 (formerly known as Appendix 14) to the Listing Rules for the year ended 31 December 2023.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE, THE COMPANY AND EQS TODAYIR LIMITED

This results announcement is published on the websites of the Stock Exchange at <https://www.hkexnews.hk>, of the Company at <https://www.cogogl.com.hk> and of EQS TodayIR Limited at <https://www.todayir.com/en/showcases.php?code=81>.

The annual report for the year ended 31 December 2023 of the Company will be published on the websites of the Stock Exchange, the Company and EQS TodayIR Limited and will be sent to the shareholders of the Company in due course.

By Order of the Board

China Overseas Grand Oceans Group Limited

Zhuang Yong

Chairman and Executive Director

Hong Kong, 25 March 2024

As at the date of this announcement, the Board comprises eight directors, of which three are executive directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Zhou Hancheng; two non-executive directors, namely Mr. Guo Guanghui and Mr. Billy Yung Kwok Kee, and three independent non-executive directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.