



**COUNTRY
GARDEN**
Holdings Company Limited
碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2007

Financial year 2015: Interim Results Presentation

19 August 2015

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Results Highlights

Summary of results

	As at 31 December		As at 30 June		1H2015
(RMB Billion) ⁴	2013	2014	2014	2015	YoY growth
Total assets	206.2	268.0	242.3	288.5	19.1%
Total liabilities	160.2	205.6	187.5	219.5	17.1%
Total debts	56.2	61.1	57.5	64.6	12.3%
Cash and cash equivalents (adjusted) ¹	26.7	27.2	24.4	27.2	11.5%
Net debt	29.6	33.9	33.1	37.3	12.7%
Total equity	46.0	62.4	54.8	69.0	25.9%
Equity attributable to owners of the Company	44.0	56.7	49.3	63.2	28.2%
Number of projects ⁸	198	242	231	278	20.3%
	For the financial year ended 31 December		For the six months ended 30 June		1H2015
(RMB Billion) ⁴	2013	2014	2014	2015	YoY growth
Contracted sales ⁶	108.2	130.9	59.8	54.5	-8.9%
Contracted sales attributable to equity owners	101.9	123.0	56.0	50.7	-9.5%
Revenue	62.7	84.5	38.3	47.3	23.5%
Gross profit	19.0	22.1	11.0	11.0	0.2%
SG&A	6.3	7.5	3.3	2.9	-12.1%
As a Percentage of contracted sales ⁹ (%)	6.0%	5.8%	5.7%	5.5%	-0.2p.p.
Net profit	8.8	10.6	5.6	5.4	-3.6%
Net profit attributable to equity owners	8.5	10.2	5.4	4.9	-9.0%
Core net profit attributable to equity owners ²	8.0	9.2	4.7	4.9	3.6%
EPS (RMB cents) ³	45.97	53.45	29.54	23.34	-21.0%
Payout ratio (%) ⁵	38.8%	36.1%	-	30.0%	N/A
Dividend (RMB cents)	16.83	14.75	-	6.48	N/A
weighted average borrowing cost at the end of period	8.08%	7.59%	7.70%	7.07%	-0.63p.p.

Management Highlights for 1H2015

Introducing Ping An as strategic investor

- ✓ Introduced Ping An as a strategic investor and raised proceeds of approximately HK\$6.30 billion. Ping An becoming the second largest shareholder of Country Garden would help the company to optimize shareholder structure and further broaden financing channels
- ✓ Strategic cooperation with Ping An is progressing steadily in land investment, marketing, finance and community services

Financial Management

- ✓ Fitch upgraded Country Garden's rating from "BB+ outlook stable" to "BB+ outlook positive" on Jan 23, 2015
- ✓ Senior notes: issued five-year US\$900 million 7.5% senior notes in 1H2015
- ✓ Syndicated loan: July 2015 - a four-year HK\$/US\$ dual tranche syndicated loan of an amount equivalent to USD800 million, at HIBOR/LIBOR+3.1%
- ✓ Corporate bonds: August 2015 - two tranches of domestic corporate bonds of up to RMB6 billion with three-year tenor and 4.2% coupon rate
- ✓ Moody's upgraded Country Garden's rating outlook from "Ba2 "to "Ba1 "on Jul 6, 2015

Internal Partnership Scheme

- ✓ Projects on partnership scheme: 45
- ✓ Fund raised from Group level: RMB144 million, from regional level: RMB140 million
- ✓ Group net investment: RMB102 million, regional net investment: RMB105 million
- ✓ 12 projects on partnership scheme already launched for sale
- ✓ Average breakeven period: 9 months; Annualized return on invested capital⁷: 61%

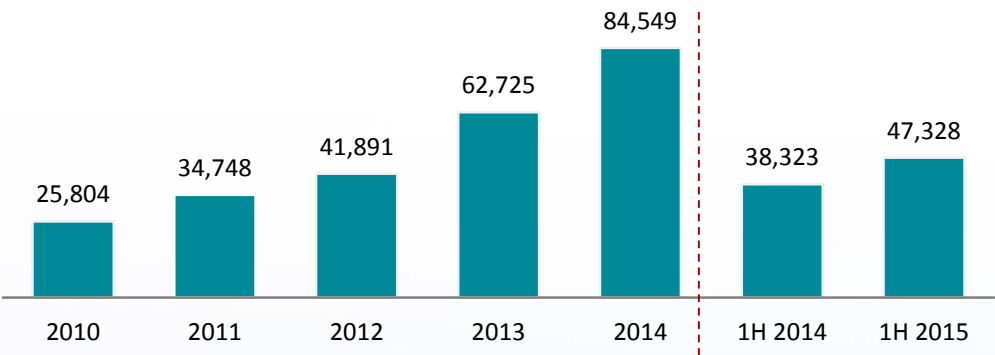
Notes:

- Adjusted cash and cash equivalents = cash and cash equivalents + guarantee deposits for construction of pre-sale properties
- Excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase
- Affected by the rights issues in 2014, EPS figures in 2013 are restated
- Unless stated otherwise
- Total dividend / Total core profit attributable to the owners of the Company
- Achieved by the Company and its subsidiaries , together with its joint ventures and associates
- Annualized investment return = (net margin*percentage of equity share) / annualized investment = (net margin*percentage of equity share) / (investment*numbers of years of investment)
- Contracted or land permit received
- Excluding joint ventures and associates

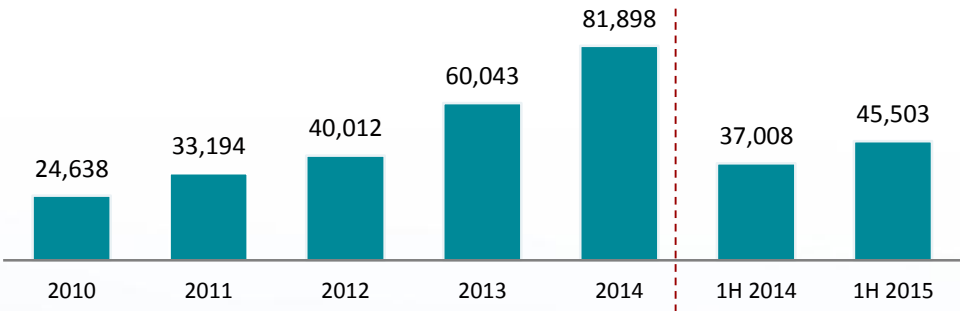


Financial Overview: Core Indicators (1/2)

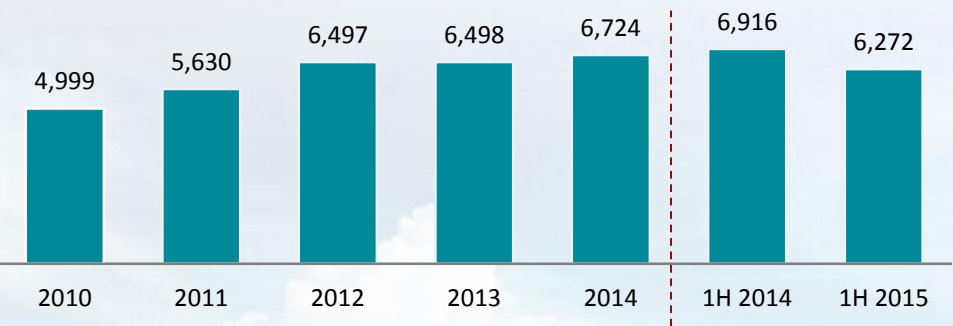
Revenue (RMB million)



Recognized revenue from property development (RMB million)



Recognized average selling price (RMB/ sqm)

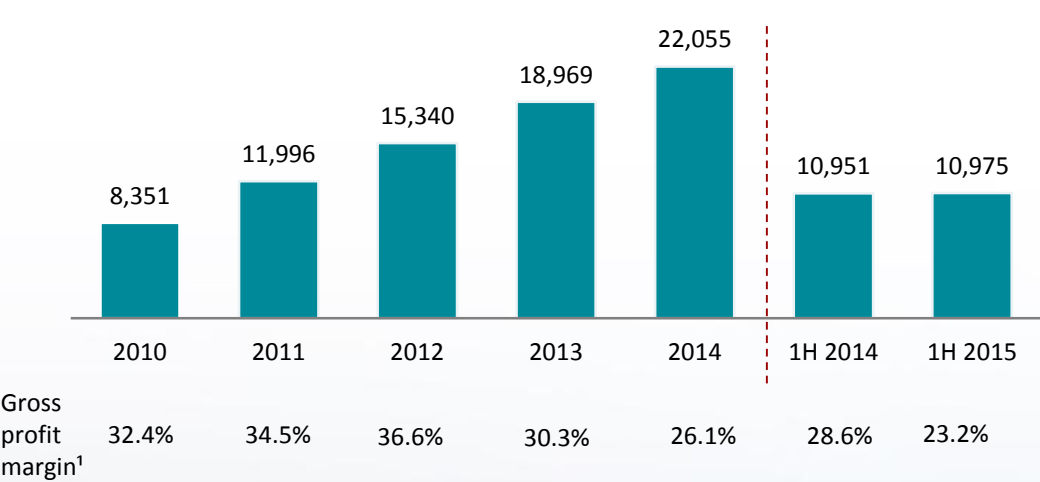


Period-end book value per share (RMB)

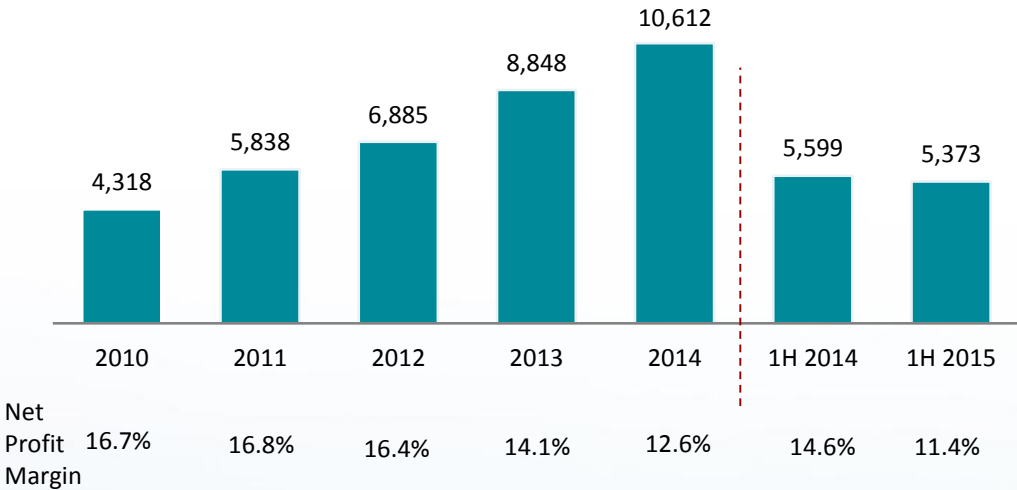


Financial Overview: Core Indicators (2/2)

Gross profit (RMB million)



Net profit (RMB million)



Core net profit² (RMB million)



Net profit attributable to the owners of the company (RMB million)

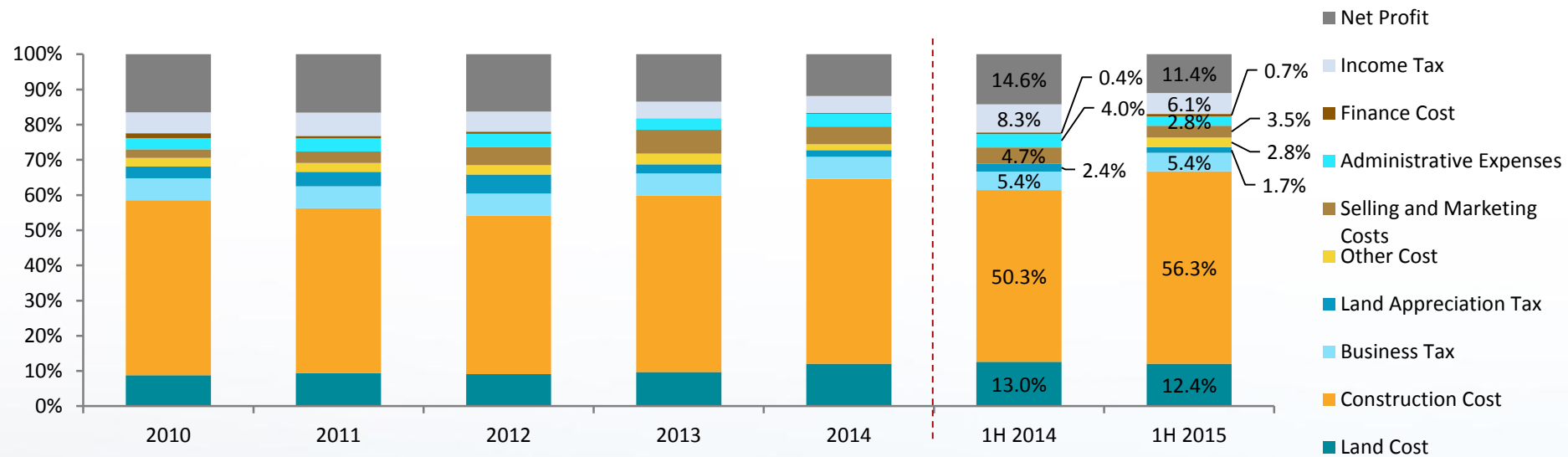


Notes:

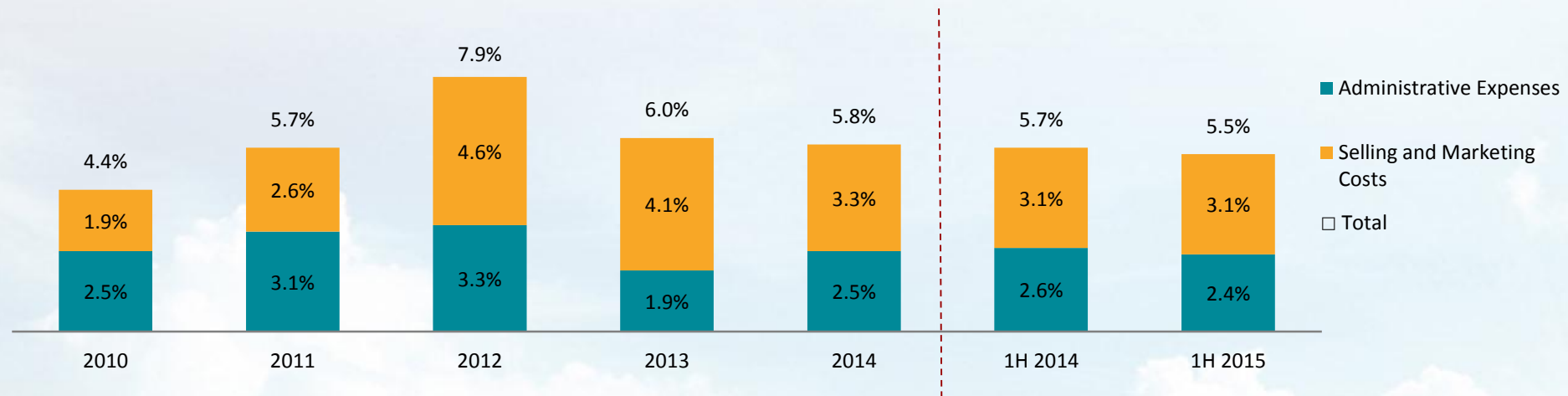
1. Gross margin before LAT
2. Excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase.

Financial Overview: Costs

Costs and net profit (as % of Revenue)

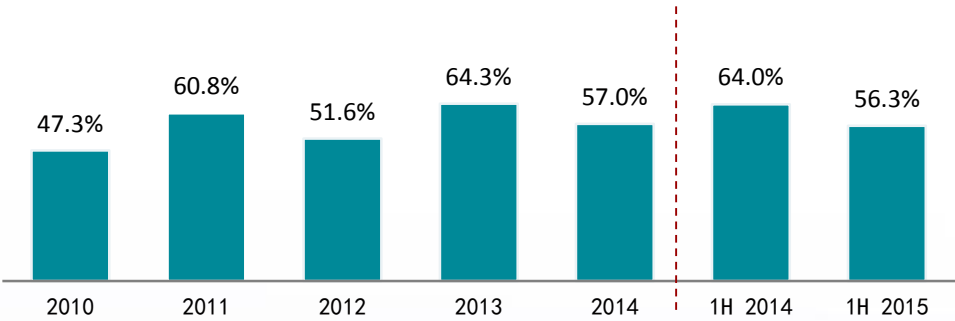


SG&A (as % of contracted sales)

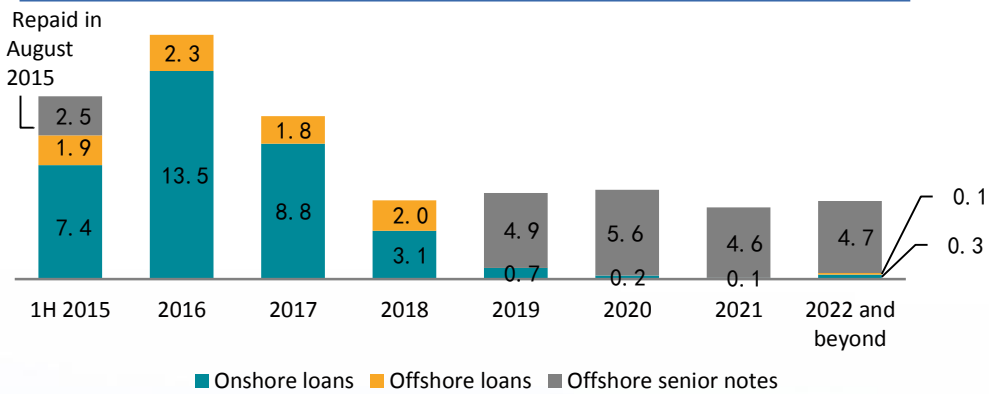


Financial Overview: Capital Structure (1/2)

Net Gearing Ratio¹



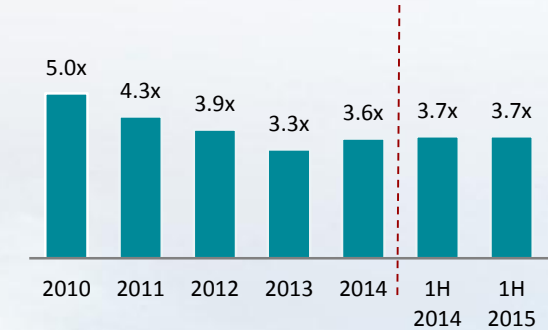
Debt maturity (RMB bn) as of 30 June 2015



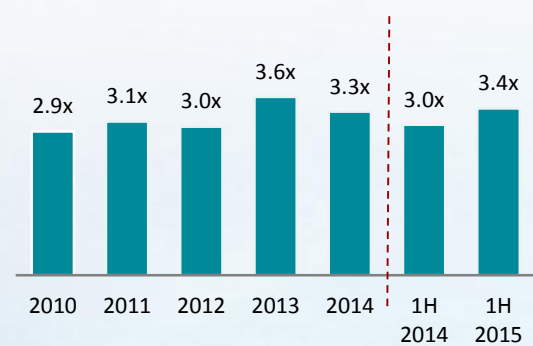
Budget management and control net gearing ratio

Optimizing debt profile

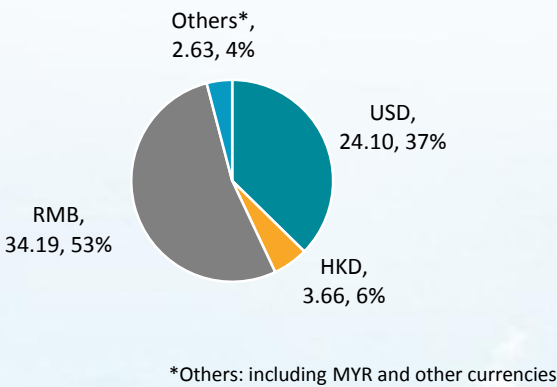
EBITDA ² / Interest coverage



Total debt /EBITDA²



Debt by currency (RMB bn)



Notes: 1. Net Gearing Ratio = $\frac{\text{LT Debt} + \text{ST Debt} - \text{Cash \& cash equivalents} - \text{guarantee deposits for construction of pre-sale properties}}{\text{Total equity (excluding perpetual capital securities)}}$

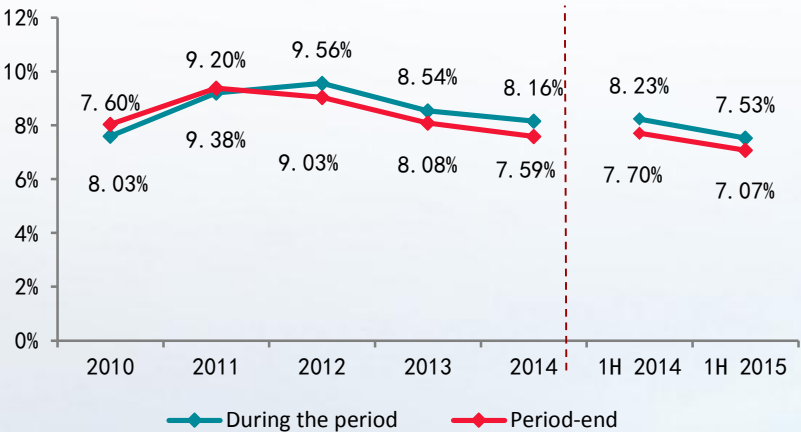
2. EBITDA defined as operating profit + interest income + PP&E depreciation + amortization of land use rights and intangibles, excluding foreign exchange gain or loss

Financial Overview: Capital Structure (2/2)

Credit ratings

Rating agencies	Category	Ratings	Outlook	
Fitch	Corporate & bond ratings	BB+	Positive	Initiated ratings of BB+ in May 2014, Outlook upgraded to Positive in Jan 2015
S&P	Corporate & bond ratings	BB+	Stable	S&P upgraded corporate ratings from BB to BB+ and bond ratings from BB- to BB+ in 2014
Moody's	Corporate & bond ratings	Ba1	Stable	Moody's upgraded Country Garden's rating to Ba1 (Stable) on 6 July, 2015

Weighted average borrowing cost



Notes issued and other main financing activities in 2015

Type	Issuance Date	Size	Coupon and interest rate	Maturity (year)
Senior Notes	Feb 2015	USD900 million	7.5%	5
Syn. loan	Jul 2015	USD800 million	HIBOR/LIBOR + 3.1%	4
Corporate bonds	Aug 2015	RMB 6 billion	4.2%	3

Lower interest cost in 1H 2015 due to early redemption of 11.125% senior notes due 2018.



S&P upgraded Country Garden's rating to BB+ on July 28, 2014

Moody's upgraded Country Garden's rating to Ba1 on Jul 6, 2015

Fitch upgraded Country Garden's rating to "BB+ outlook positive" on Jan 23, 2015

Financial Overview: Cash Flow Management

Strong capital reserves

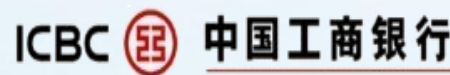
- Abundant cash balance – available cash and bank balances of approximately RMB 27.2 billion* as of 30 June 2015, accounting for 9.4% of the total assets and maintaining the Company's financial flexibility
- Strong internally generated cash and liquidity as a result of rapid asset-turnover model
- As of 30 June 2015, unused uncommitted credit lines from major Chinese banks amounted to RMB49.4 billion

Capital market financing

- Debt: Nine successful issuances in the USD bond market since 2009 till 1H2015, and the company had its first issuance of onshore corporate bonds in August 2015
 - July 2015 – successfully secured a four-year HK\$/US\$ dual tranche syndicated loan of an amount equivalent to US\$800 million, at LIBOR/HIBOR+3.1%. Among loans secured by Country Garden, it is the largest in amount and lowest in interest rate among those with same tenor, with the largest number of participating banks. Among international syndicated loans obtained by private-owned PRC developers, it is also the largest in amount and with the largest number of participating banks
 - August 2015 – Successfully issued two tranches of domestic corporate bonds of up to RMB6 billion with tenor of 3 years and coupon rate at 4.2%. The bonds are traded on Shanghai Stock Exchange after issuance
- Equity: In February 2012, carried out USD400 million equity placement (USD282 million worth of new shares, USD118 million worth of old shares). In October 2014, conducted a rights issue of HK\$3.18 billion with 7.8 times oversubscription. In April 2015, the Company introduced Ping An Group as a strategic investor and raised HK\$6.3 billion

Strong long-term relationship with financial institutions

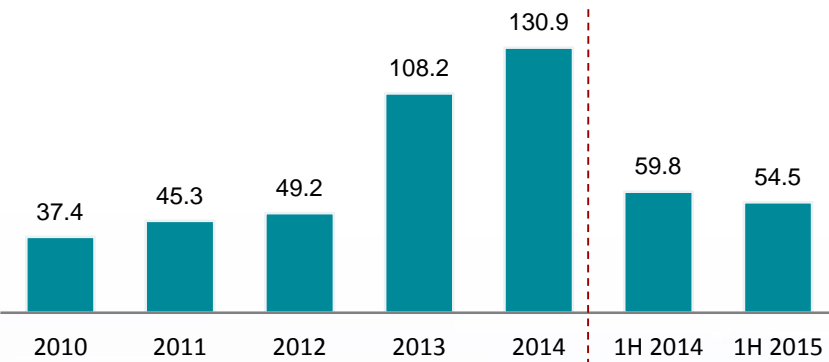
- Agricultural Bank of China, Bank of China, Industrial and Commercial Bank of China, China Construction Bank, HSBC, Hang Seng Bank, China Guangfa Bank, China Minsheng Bank, Shanghai Pudong Development Bank, Bank of Communications, J.P.Morgan, Goldman Sachs, Deutsche Bank and BEA, as well as local commercial banks, etc.



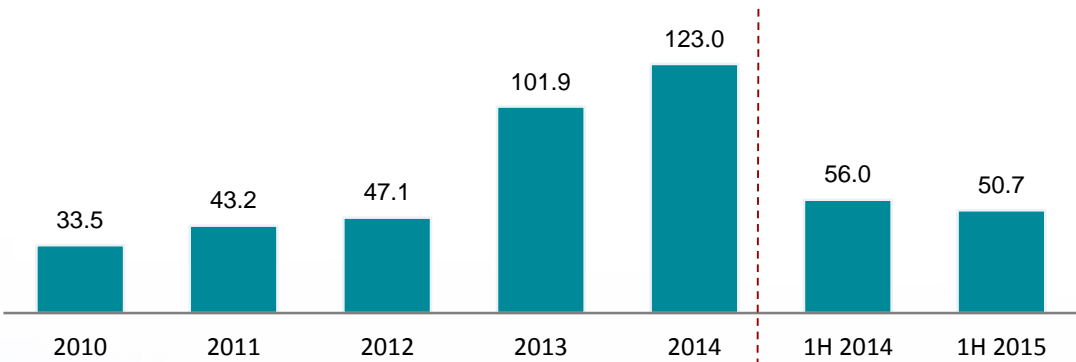


Business Overview : Contracted Sales (1/3)

Contracted sales (RMB bn)¹



Contracted sales attributable to the owners of the Company (RMB bn)



Contracted GFA (mn sqm)²



Contracted sales ASP (RMB/ sqm)



Notes:

- 1. Contracted sales achieved by the Company and its subsidiaries, together with its joint ventures and associates
- 2. Contracted GFA achieved by the Company and its subsidiaries, together with its joint ventures and associates

Business Overview : Contracted Sales (2/3)

Outstanding sales performance: Over 33 projects ranked first in terms of debut sales or total sales in 1H2015 in respective local markets

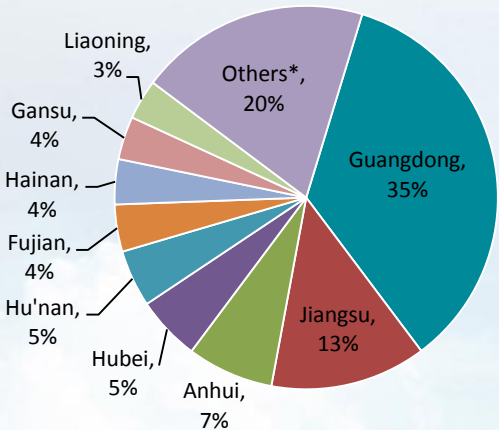
Over 33 projects ranked first in terms of debut sales or total sales in 1H2015 in respective local markets (cities level or above)

- ✓ Three-category-champions in terms of sales/ number of units/ GFA: 19 projects including Lanzhou Country Garden, Shanwei Country Garden, Anqing Country Garden
- ✓ Two-category-Champions: 2 Projects including Jurong Country Garden Phoenix City (no. of units / GFA), Hechi Country Garden (GFA/ sales)
- ✓ One-category-Champions: 8 projects including Xinhui Country Garden (sales), Xianning Country Garden Hot Springs City (sales)
- ✓ Debut sales champions: 4 Projects including Shijiazhuang Country Garden, Jintan Country Garden

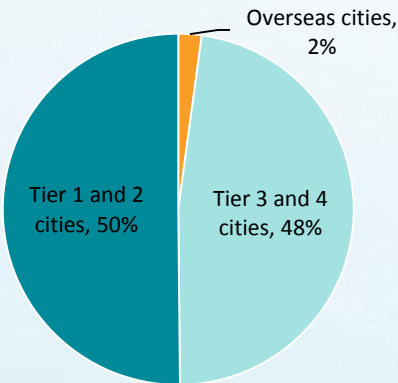
More than 19 projects securing market share of over 30% in respective market

- ✓ 2 County-level cities with local market share of more than 70%, including Feng Shun / Jiaoling
- ✓ 3 County-level cities with local market share of 50% -70%, including Shanwei / Sanming / Lianzhou
- ✓ 14 County-level cities with local market share of 30% -49%, including Bijie / Huanggang / Gaozhou

Contracted sales breakdown by provinces / regions in 1H2015 (by value)



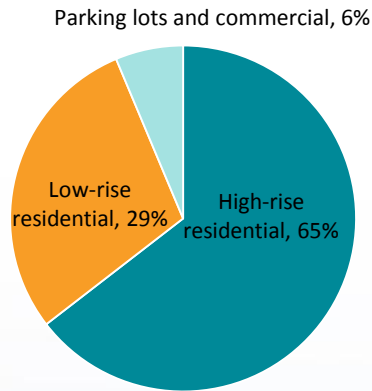
Contracted sales breakdown by target markets in 1H2015 (by value)



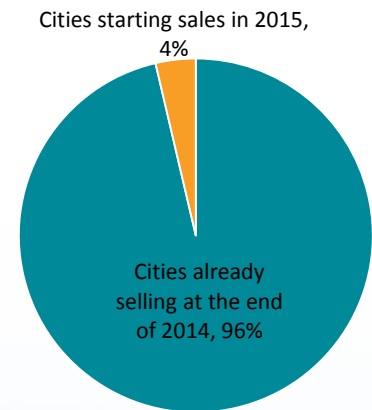
Note: Others* includes Zhejiang, Shandong, Malaysia, Jiangxi, Chongqing, Guizhou, Guangxi, Sichuan, Tianjin, Australia, Inner Mongolia, He'nan, Hebei, Yunnan, Shanxi, Heilongjiang, Jilin

Business Overview : Contracted Sales (3/3)

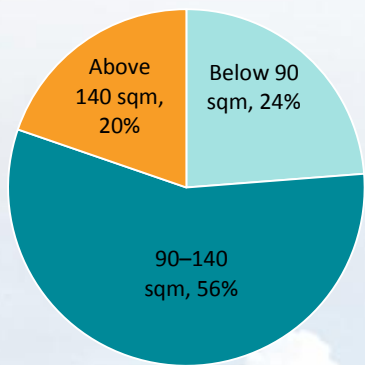
1H2015 contracted sales breakdown by types of products (by value)



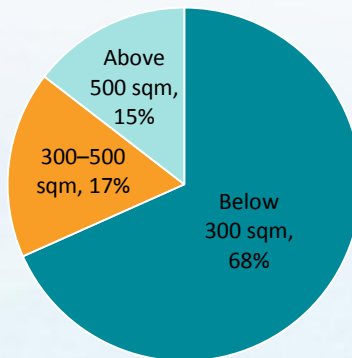
1H2015 contracted sales breakdown by city type (by value)



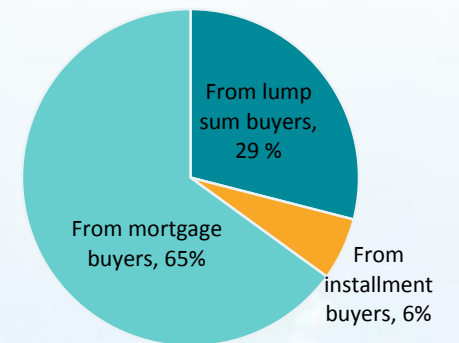
1H2015 contracted sales of high-rise residential size break down by size (by value)



1H2015 contracted sales of low-rise residential size break down by size (by value)

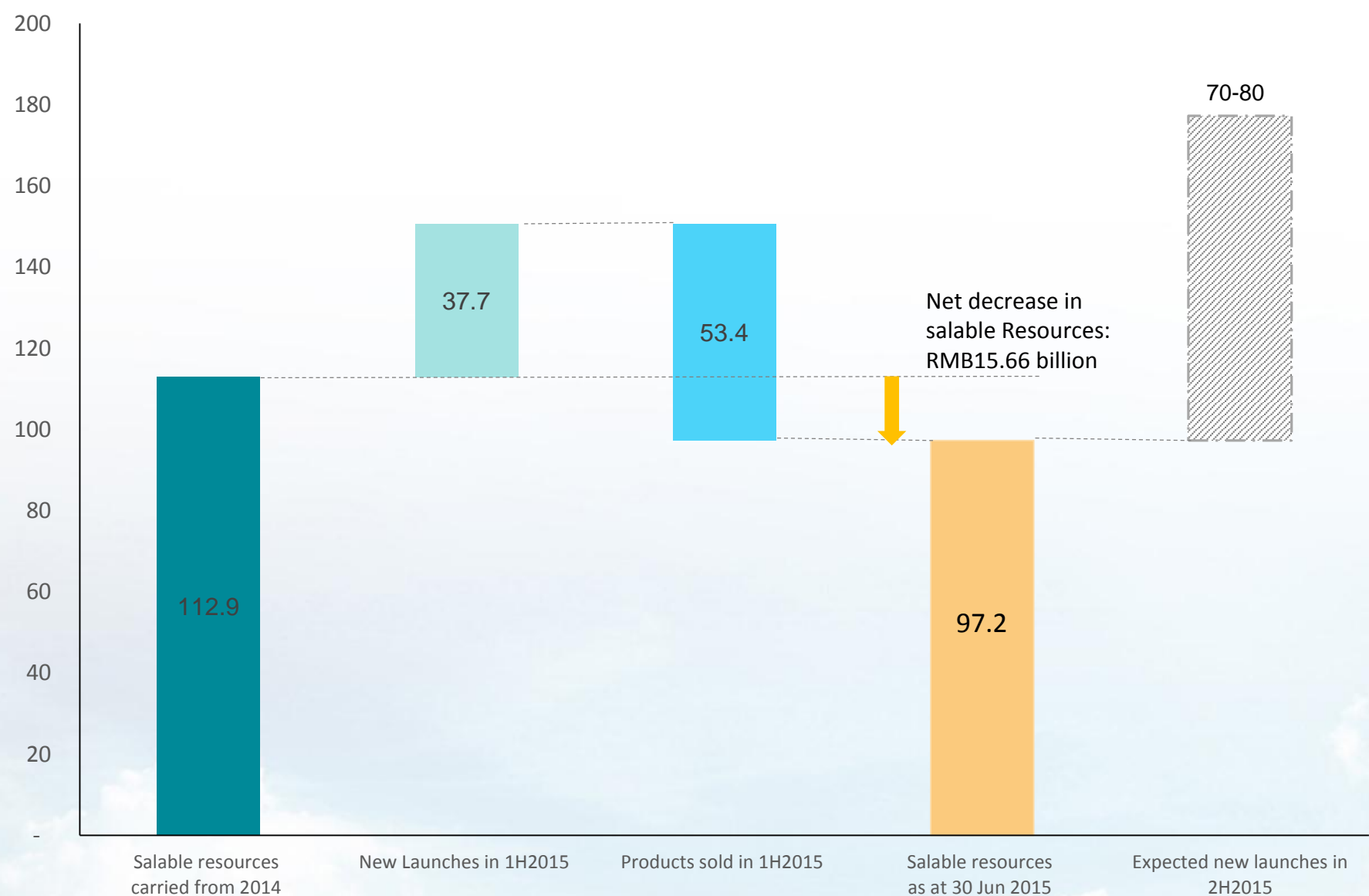


1H2015 contracted sales payment type breakdown (by value)



Business overview: Salable resources---lowering inventory level with sufficient supply in the future

Salable resources¹ (RMB billion)



Note:
1. Excluding Asian Games City and Zhongshan Yahong Project
2. Salable resources refers to unsold projects / units with sales permit

Business review: Land bank (1/3)

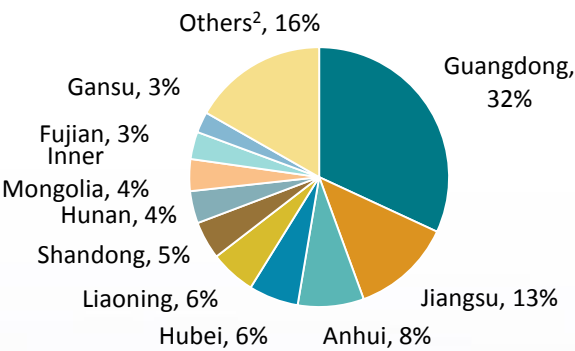
As at 30 June 2015, number of projects acquired by the Group totaled 278*, including 274 in China (101 in Guangdong Province), 3 in Malaysia and one in Australia. The expected gross floor area of land bank is approximately 95.32 million sq.m. The Group's projects in China span across 124 cities in 26 provinces / autonomous regions / municipalities.



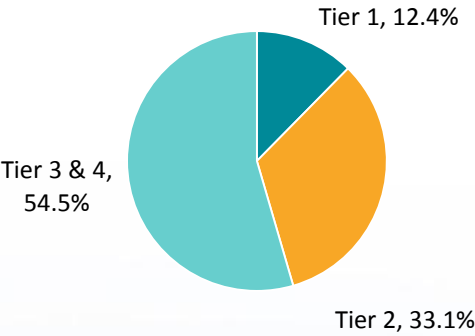
Note: Contracted or land permit received

Business review: Lank bank - China (2/3)

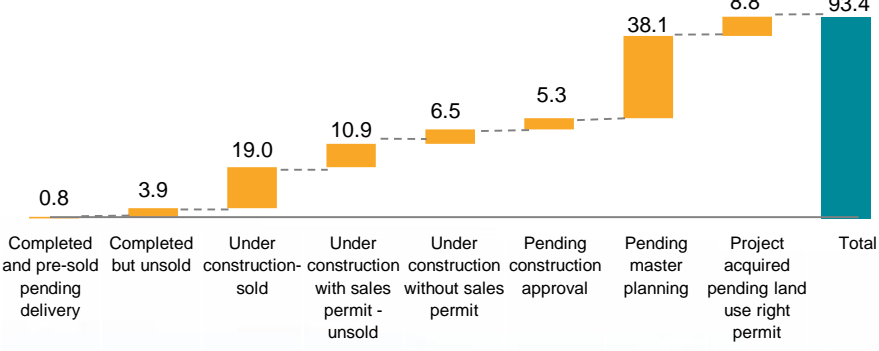
Landbank GFA breakdown by location¹



Breakdown by target markets¹ (by GFA)



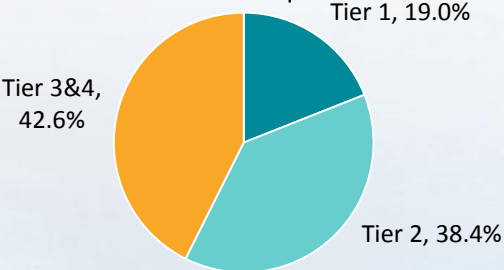
Landbank GFA breakdown by development stage (million sqm)



Among which, 85.30 million sq.m. are attributable to owners of the Company

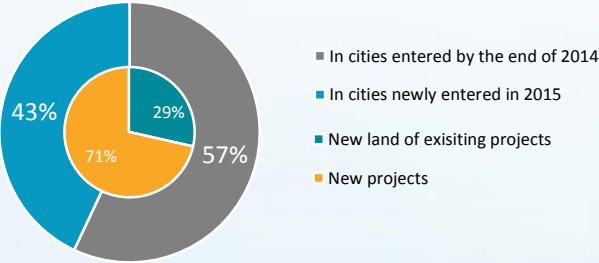
Breakdown by target tier of cities (by value)

Land acquisition targeting Tier 1 and Tier 2 markets added up to 57.4% of total land acquisition



Proportion of acquired land in cities newly entered in 1H2015 (by GFA)

new city vs existing city



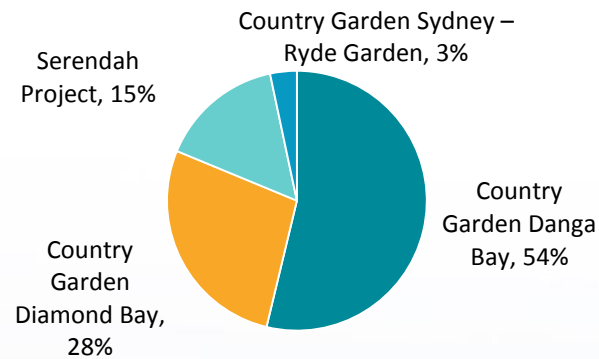
For the first six months of 2015, the expected GFA of the Group's acquired land was approximately 7.55 million sq m, with total consideration of approximately RMB 8.02 billion. Among them, expected GFA attributable to owners of the Company was approximately 6.21 million sq m with total consideration of approximately RMB6.73 billion. The average land cost was RMB 1,085 / sq m.

Competitive land cost enhances Country Garden's pricing flexibility and reduces the impact of market fluctuations

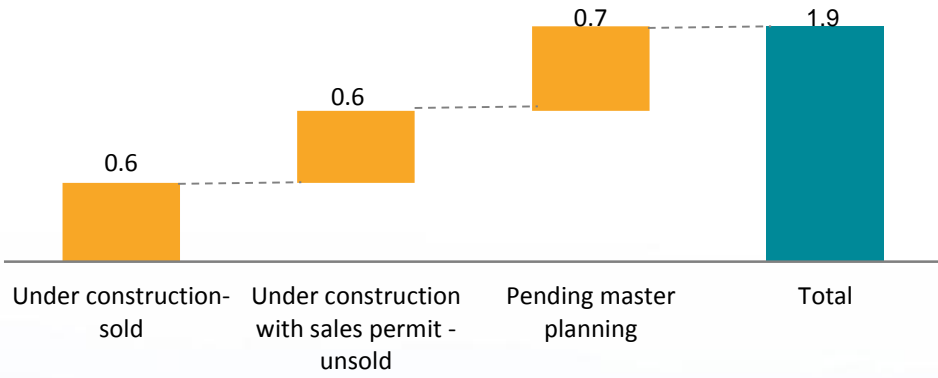
Notes: 1. GFA breakdown of acquired projects as at 30 June 2015
2. Including Henan, Hebei, Zhejiang, Sichuan, Chongqing, Hainan, Jiangxi, Guizhou, Guangxi, Tianjin, Shanxi, Jilin, Heilongjiang, Yunnan, Shaanxi and Shanghai

Business review: land bank- overseas (3/3)

Landbank breakdown by project* (by GFA)



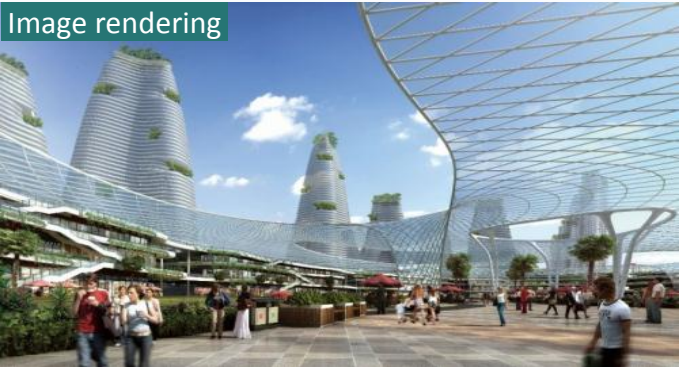
Landbank breakdown by development stages (million sq.m.)



Among which, 1.54 million sq.m. are attributable to owners of the Company

Strategic Land Reserve: Forest City in Johor, Malaysia

- "Forest City" is a joint development by Country Garden and Johor State Government. The reclamation project covers nearly 1,400 hectares, and the estimated total development period is 20 years
- Country Garden holds 60% interests while its partners hold 40% interests in the project
- Current strategic positioning and conceptual master planning of the project has been done by McKinsey and SASAKI, now it is under application for favorable policies;
- As it is a reclamation project, the company did not included it in land reserve;
- Forest City is a freehold project

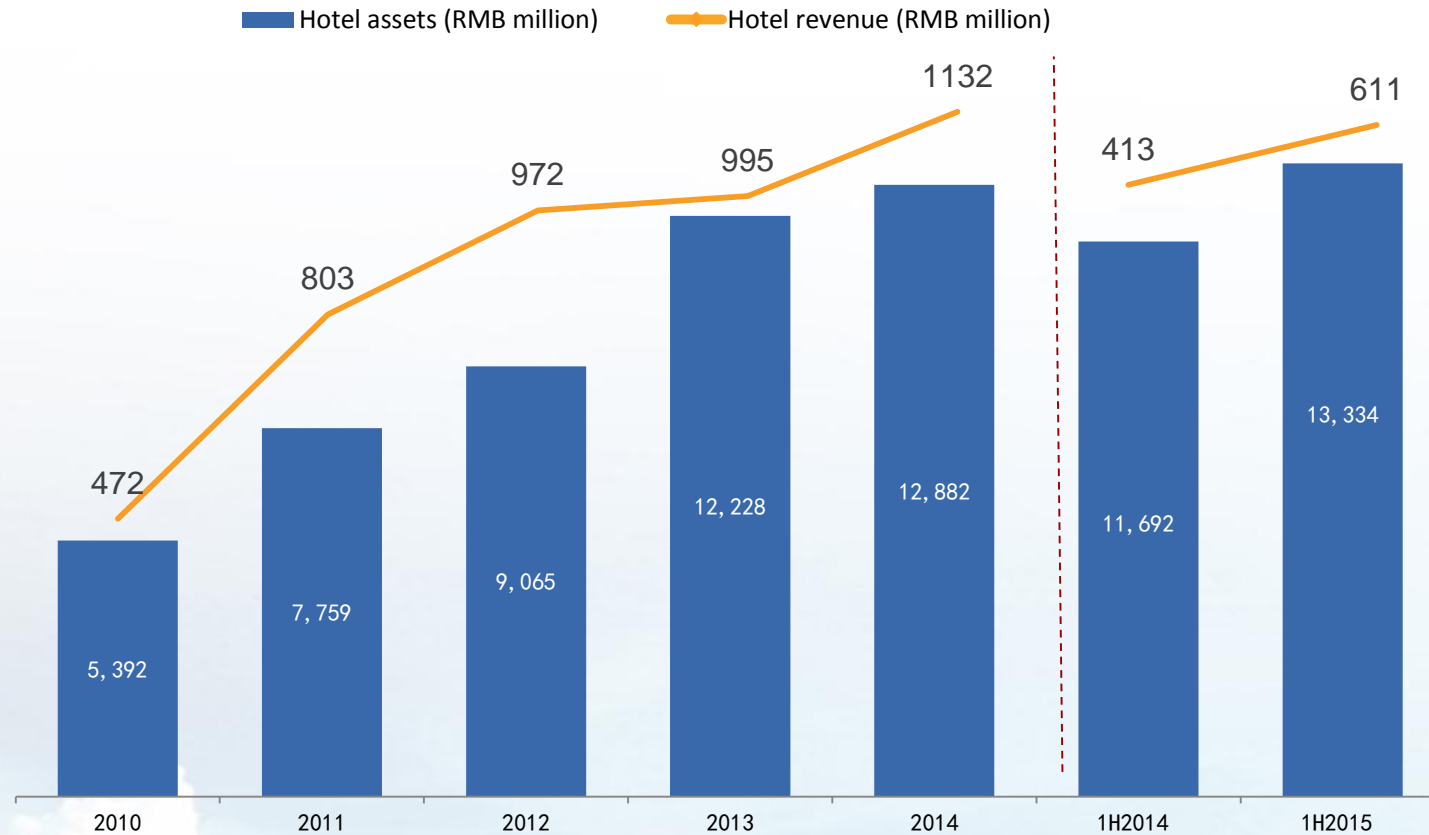


Note: *Acquired projects as of 60 June 2015

Business overview: Hotels

As of 30 June 2015, the Group owned 58 Hotels, among which 45 are in operation (41 five-star or five-star standard¹ and 4 four-star or four-star standard¹), with a total of 12,571 guest rooms, and another 13 hotels under construction

Hotel Asset and Revenue²



Notes:

¹ Hotels are only allowed to apply for star rating after one year of operation.

² Asset and no. of hotel are as of 31 Dec of each year (or as of 30 June for 1H); and the revenue is for FY ended 31 Dec (or half year ended 30 June)

Business Overview : Investment properties

- Since 2010, in addition to developing community projects, the Group has also developed urban complexes with large commercial centers, large residential communities and five-star hotels, by building a dedicated management team with expertise in planning, design and leasing. The Group has also formed strategic alliance with well-known brands
- The Group set up a dedicated commercial property management company at the end of 2013
- Breakdown of investment properties: 75 communal projects in 14 provinces, 6 large commercial complex projects in Jurong Jiangsu, Shenyang Liaoning, Yunfu Guangdong, Chizhou Anhui, and apartment projects in Zhaoqing Guangdong.
- In 1H 2015, the Group recorded approximately RMB350 million after tax gains on investment properties after revaluation, due to change in the Group's accounting policies since 2014 to recognize the fair value of investment properties on the balance sheet. As of 30 June 2015, the Group's investment property covers a GFA of 967,340 sq.m. with a fair value of RMB7.95 billion, of which the leased GFA of 608,628 sq.m. carries a fair value of RMB4.82 billion. Investment property rental income amounted to approximately RMB 47.34 million.

Type	Rented			Completed projects (to be rented out)		Under construction		Total	
	GFA (sq.m.)	Fair value (RMB'000)	1H2014 rental income (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)
Community stores	374,967	3,231,720	38,576	162,833	1,532,637	28,010	267,430	565,810	5,031,787
Apartments	58,136	203,000	2,493	-	-	-	-	58,136	203,000
Large commercial complex	175,525	1,387,120	6,270	61,960	499,450	105,909	823,860	343,394	2,710,430
Total	608,628	4,821,840	47,339	224,793	2,032,087	133,919	1,091,290	967,340	7,945,217



Core strategy: Capitalizing on urbanization, ensuring financial stability, building a community-oriented integrated business platform with financial measures, developing three major business segments of property development, community services and financial business

- Broadening financing channels
- Reducing financing costs

Maintaining financial stability

Capitalizing on urbanization

Build a community-oriented integrated business platform with financial measures

- Focusing on the demand of the community, establish the 3 major business segments including real estate development, community services, and financial business;
- To tap the value of business and assets of the real estate industry chain. Integrate business resources through financial means including spinning off of assets
- Strengthen financial and asset management capability
- Strategic investment in property-related businesses

- China's ongoing urbanization maintains momentum, thus generating huge demand consistently for residential properties
- Transparency of land-bidding mechanism and falling financing costs will favor large developers to obtain quality land resources and strengthen competitive advantage
- Urbanization will create demand for other property-related products and services



Capitalizing on urbanization: boosting business with competitive capabilities and successful experience

- **Macro and policy environment**

- the gradually improved and transparent land bidding mechanism
- Declining financing cost

- **Demand**

- Ongoing urbanization has increased the market's demand for first and second-tier cities land resources;

- **Human resources and track record**

- Over 2 decades of success in market development in Tier 1&2 cities
- Set up dedicated management team for operations

- **Investment Strategy**

- Product line diversification: increase commercial properties, industrial land, Flexible means in land acquisition
- Product Customization: innovative approaches, such as new products and new means of promotion like crowd-funding

Tier 1 &
Tier 2 Cities

20 Years of success

Tier 3 &
Tier 4 Cities

Outstanding edges in
the nation

- **New stage goal**

- Establish quality benchmarks
- Product upgrade
- Penetrate the market for better return

- **Clear positioning**

- Meet the end-user demand in Tier 3&4 cities
- Cover upgraders' demand in Tier 3&4 cities

- **Product Strategy**

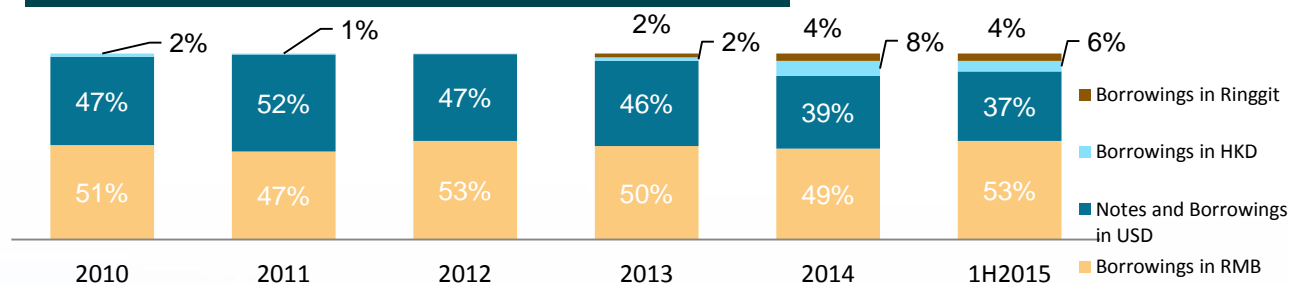
- Strategy: Product differentiation
- Premium product line

- A balanced portfolio enables Country Garden to have bigger market depth and scale than its peers;
- Country Garden will closely monitor different types of demand brought by urbanization besides housing needs

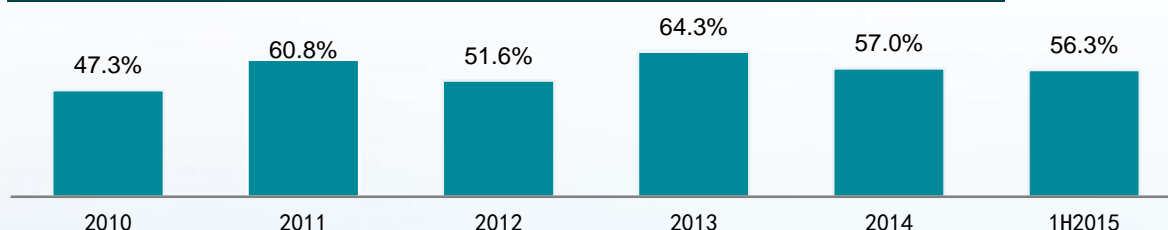


Achieving financial stability: maintaining a reasonable debt structure of different currencies and the gearing at a certain range; diversifying financing channels; aiming for investment-grade ratings; prioritizing financial management in all of the Group's operations

Proportions of different currencies in debts



Net Debt¹/Total Equity (excluding perpetual capital securities)



- Prudent management of funding cost, optimizing debt-financing portfolio, increasing proportion of domestic debts

- implementing net gearing ratio cap (below 70%). Deleveraging through capital operation as long term financial goal

- In recent years, the Company has successfully obtained substantial capital from the market through diversified financing channels;
- Senior notes: issued five-year US\$900 million 7.5% senior notes in 1H2015
- Syndicated loan: July 2015 - a four-year HK\$/US\$ dual tranche syndicated loan of an amount equivalent to US\$800 million
- Corporate debts: August 2015 - two tranches of domestic corporate bonds of up to RMB6 billion with 3-year tenor
- Since 2009 till 19 August 2015, Country Garden successfully conducted nine bond issues in the offshore bond market
- Further expansion of onshore and offshore financing channels in the future
- The company will further strengthen its asset liquidation including hotels to strengthen cash flow

Current rating & outlook

S&P: BB+ (Stable)
Fitch: BB+ (Positive)
Moody's: Ba1 (Stable)

Target

S&P: BBB- and above
Fitch: BBB- and above
Moody's: Baa3 and above

- The Group's current credit rating is only one step away from "Investment Grade" rating of some rating agencies

¹Note: Net debt = LT Debt + ST Debt – Cash & cash equivalents – guarantee deposits for construction of pre-sale properties

Building a community-oriented integrated business platform with financial measures; establishing 3 major business segments comprising property development, community services and financial business



Building a community-oriented integrated business platform with financial measures; establishing 3 major business segments including property development, community services and financial business: Community services – education business in scale

■ Community Services: Country Garden School - leading private education in China*

- 34 schools, 3 charity schools - 3 of them are of the 1st tier of the province with 21,087 students and 2,526 outstanding teachers
- The first PYP school in China and Southeast Asia to use Chinese for thematic teaching
- The first International Baccalaureate school founded by Chinese and mainly recruits Chinese students
- Nearly half of high school graduates are admitted to the world's top 50 universities



Country Garden School offers a variety of education, including compulsory education, bilingual education and international courses covering from kindergarten to high school. It has become a leader of private education with profound teaching experience, quality teaching resources and outstanding brand.

* As at 30 June 2015, education business was still not a part of the listing company

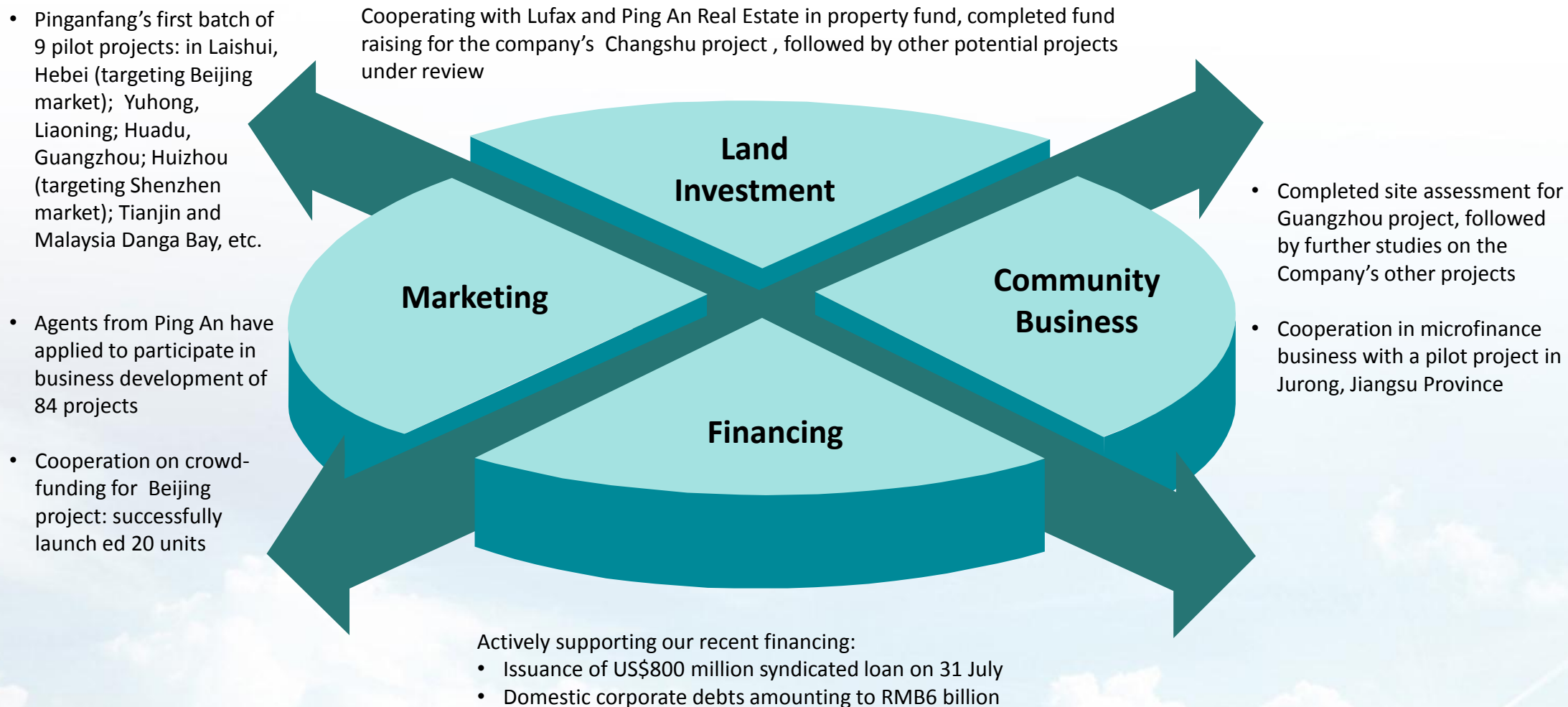
Building a community-oriented integrated business platform with financial measures; Form 3 major business segments comprising property development, community services and financial business: Community services business with huge potential

■ Community services business with huge potential

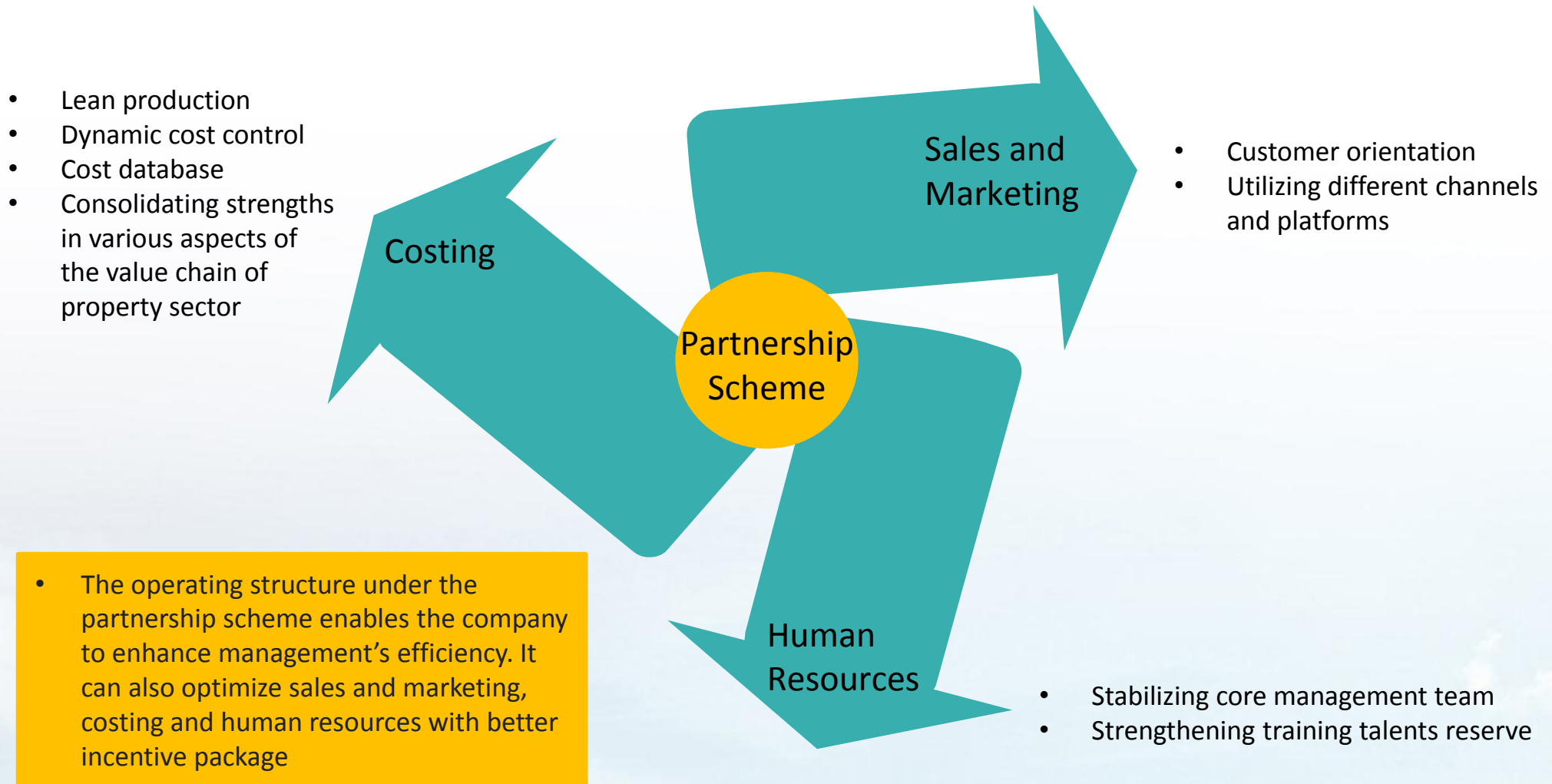
Community Services / Healthcare & Elderly Care	Property Operation
<ul style="list-style-type: none"> • Diversified O2O platform: <ul style="list-style-type: none"> ✓ Community service APP (for users) ✓ Butler APP (for in-house property management staff) ✓ Community service APP database (management of users, orders, merchants and reporting) • Broad prospects for the future: 5,000,000 users, 200 property companies, 1,000 collaborating projects • Trial operation of Healthcare & Elderly Care project has started in mature Country Garden communities in Guangzhou, Huizhou and Shunde 	<ul style="list-style-type: none"> • Well-structured with wide coverage to provide value-added services to the real estate business and financial segment • Good O2O interaction and mutual benefits with the community • Business expansion across 3 countries. Contract management area of about 120 million sq.m. covering 26 provinces, or about 420,000 owners and residents nationwide. Target to expand management area via acquisition of external projects
Actively seeking asset liquidation / spin-off possibilities	

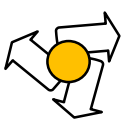
Build a community-oriented integrated business platform with financial measures: Form 3 major business segments comprising property development, community services and financial business; steady progress of cooperation with Ping An

- Country Garden introduced Ping An as a strategic investor in April 2015 and raised proceeds of approximately **HK\$6.30 billion**
- Current strategic cooperation with Ping An is progressing steadily in four aspects: **land investment, marketing, finance and community business**



Partnership scheme to promote self-optimization of the organizational structure of Country Garden: collaboration between the management team, the listed company and investors to enhance the effectiveness of costing, sales and marketing, and human resources





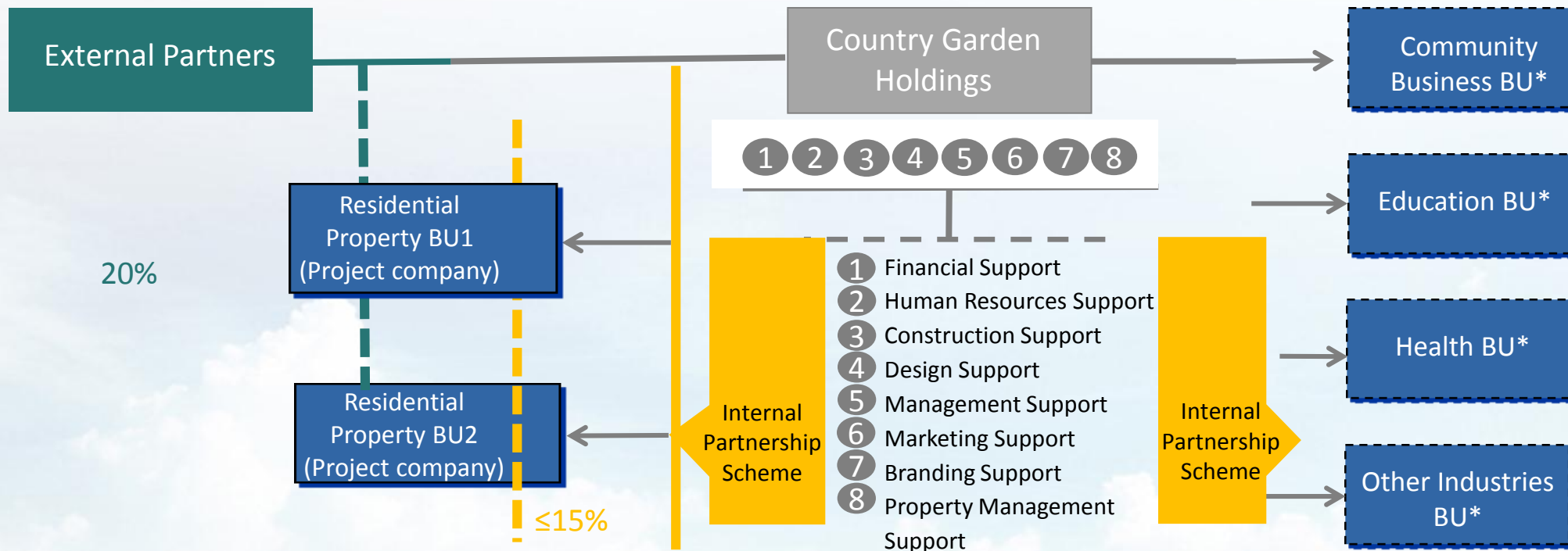
Enhancing partnership scheme; assisting in the platforms for community resources integration and developing platforms for resources integration

Internal Partnership Scheme

- Under Country Garden “Project Partnership Scheme”, the company’s projects enabled profit and risk sharing;
- Since October 2014, all new projects acquired by the Company would adopt the co-investment mechanism (the Group and project management can invest up to 15% of project equity);
- The senior management of the Company who participated the co-investment scheme will normally invest in the project in the form of minority interest;
- Revenue with capital return generated by the project can be used to invest in another project while the existing projects can dividend out profits;

External Partnership Scheme

- External partners and Country Garden jointly established platform company, in which Country Garden holds 80% of the shareholders’ equity while the external partners are entitled to 20 % of the shareholders' equity;
- Country Garden Holdings holds the final decision-making authority towards the management of the platform company;
- Project development of the external partners are not bounded by the restrictions of the existing regions or cities of Country Garden;



Note: *Some business units are still under planning.



Sales & Marketing: Internet mentality – optimizing customer-oriented services and products, expanding customer base and strengthening penetration through various channels and promotions

Customer-oriented

- Precise positioning
 - Promoting public development, realizing sales by customized production
 - Locking-in customer needs in advance, realizing sales by customized production to reduce inventory
 - Offer products that matches market needs: new product line
 - Flexibility in design
 - Higher room rate
 - Better user experience
 - Lower costs
- Enhancing services
 - Extraordinary service experience
 - Strengthening standardization and increasing the probability of purchase
 - Related financial services
 - Grafting related financial resources for customers to facilitate payment

Sales and Marketing

- Market penetration:
 - Strengthening customer organizational capability through various channels

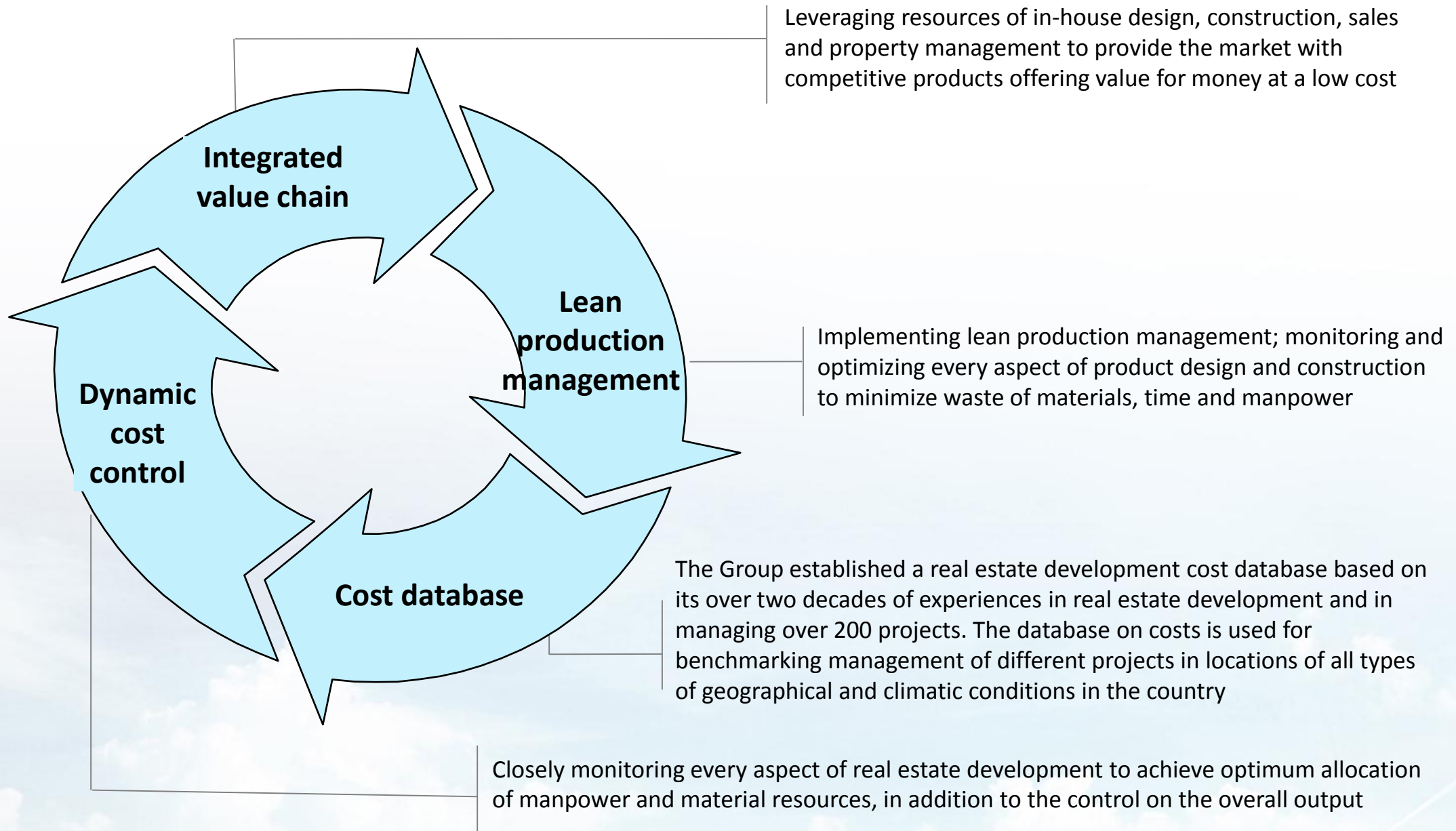


- Integrated marketing:
 - Focusing on multi-media platform to maximize customer coverage





Costs: Taking advantage of integrated value chain; Implementing lean management in production; Using cost database for dynamic cost control





Human resources: Stable core management team and improving training system to strengthen talents reserve

- Stable core management team

Each of the business division under senior management team led by respective industry experts, forming a stable and cohesive team

- Comprehensive training system

Comprehensive talent training program covering a two-year leadership development program, new employee training and consistent on-the-job training, etc.; well-developed training system to help employees become all-rounded industry talents at headquarters and project level

- Reserve of high calibre talents

Introduce well-educated talents from different backgrounds. Since 2014, about 200 employees have been included in a complete training program who will become the mainstay of our business in the future

Conclusion: Change amid Stability--- Country Garden's first year to execute the strategic change

Details

Strategy

- Through catering for the needs of the community, developing real estate-related businesses and fully releasing its asset value by financial means, 2015 will become **first year to execute the strategic change of Country Garden**

Results

- Clearing inventory while expediting development : Our total inventories had a net decrease of RMB15.66 billion, yet core net profit still exceeded RMB4.88 billion, maintaining a steady growth

Financials

- Strict control on debt and cash level
- Optimized capital structure, net gearing ratio down by 0.7 percentage points to 56.3% compared to the end of 2014
- Increasing onshore debt exposure, successfully issued onshore corporate bonds and the second syndicated loan, lowering financing cost. Ratings from international rating agencies continuously improved with only one step away from investment grades

Human Resources

- Closer coordination within the core management team, which makes a more mature and professional management system
- Enhance nurturing of talents, actively introduce high caliber educated professionals from different industries
- A stronger organizational structure with high efficiency, which further strengthened control
- Further the partnership scheme, introduce external partners, improve the incentive scheme, expand the company's operation and strengthen the capability to obtain projects

Platform

- Platform with the three major businesses namely real estate development, community services and finance business was formed, which laid a solid foundation for the Group's second phase of advancement

Thank you for your confidence
and support in Country Garden!

Appendix 1: New Land Acquisition In The First Half Year of 2015

New Land Acquisition in 2015 1H						
Province	Project	City (District)	Site Area (sqm)	Expected GFA (sqm)	Land Cost (RMB Million)	CG Equity Ratio**
Anhui	Country Garden - Jade Bay Phase II	Wuhu (Wuwei)	68,667	123,601	160	85%
Guizhou	Renhuai Country Garden Phase II	Zunyi (Renhuai)	100,000	57,000	88	100%
Jiangsu	Tong'an Country Garden*	Suzhou (Hi-tech District)	24,996	44,993	89	90%
Jiangsu	Baoying Country Garden Phase II	Yangzhou (Baoying)	120,000	201,600	381	100%
Guangdong	Tianhui Country Garden*	Dongguan (Dalang)	56,000	112,000	250	100%
Jiangsu	Country Garden - Phoenix City (new land replenishment)	Zhenjiang (Jurong)	75,333	210,932	79	100%
Jiangsu	Country Garden - Europe City (new land replenishment)	Chuzhou (Nanqiao)	76,667	98,900	75	100%
Jiangsu	Jintan Country Garden*	Changzhou (Jintan)	86,886	217,215	262	100%
Hainan	Country Garden - Coral Palace Phase II (2)	Lingshui (Yingzhou)	58,667	96,800	113	55%
Hainan	Country Garden - Coral Palace Phase II (3)	Lingshui (Yingzhou)	79,333	105,513	151	55%
Fujian	Fu'an Country Garden*	Ningde (Fu'an)	15,817	23,725	33	30%
Fujian	Jian'ou Country Garden*	Nanping (Jian'ou)	51,374	102,748	62	43%
Guangdong	Lufeng Country Garden*	Shanwei (Lufeng)	247,975	495,950	134	100%
Shanghai	Country Garden - Jiayu*	Shanghai (Jiading)	62,443	74,932	608	100%
Hainan	Country Garden - Coral Palace Phase III (1)	Lingshui (Yingzhou)	125,280	224,251	244	55%
Guangdong	Leizhou Country Garden*	Zhanjiang (Leizhou)	97,213	243,033	118	100%
Guangdong	Wuhua Country Garden Phase II	Meizhou (Wuhua)	23,195	60,307	34	100%
Shaanxi	Hancheng Country Garden*	Weinan (Hancheng)	80,914	242,742	73	100%
Guizhou	Zhijin Country Garden*	Bijie (Zhijin)	33,333	38,666	22	100%
Hainan	Country Garden - Coral Palace Phase III (2)	Lingshui (Yingzhou)	118,000	224,200	233	55%
Zhejiang	Quzhou Country Garden Phase II	Quzhou (Donggang)	76,683	97,388	66	100%
Shandong	Country Garden – Ten Miles Golden Beach Phase II	Yantai (Haiyang)	67,333	14,140	38	90%
Henan	Xuchang Country Garden*	Xuchang (Xuchang)	287,631	287,631	151	43%
Jiangsu	Changshu Country Garden*	Suzhou (Changshu)	38,000	91,200	385	100%
Hebei	Xingtai Country Garden*	Xingtai (Xingtai)	431,334	690,134	323	100%
Hebei	Luanzhou Ancient City Country Garden*	Tangshan (Luanzhou)	72,000	129,600	63	99%
Guangdong	Country Garden - Phoenix Park*	Guangzhou (Zengcheng)	135,333	243,599	790	85%
Hebei	Country Garden-Jingshanling Great Wall Valley*	Chengde (Luanping)	120,000	120,000	93	50%
Guangxi	Beiliu Country Garden	Yulin(Beiliu)	136,802	273,604	129	100%
Jiangsu	Lianyungang Country Garden*	Lianyungang (Haizhou)	77,484	139,471	151	100%

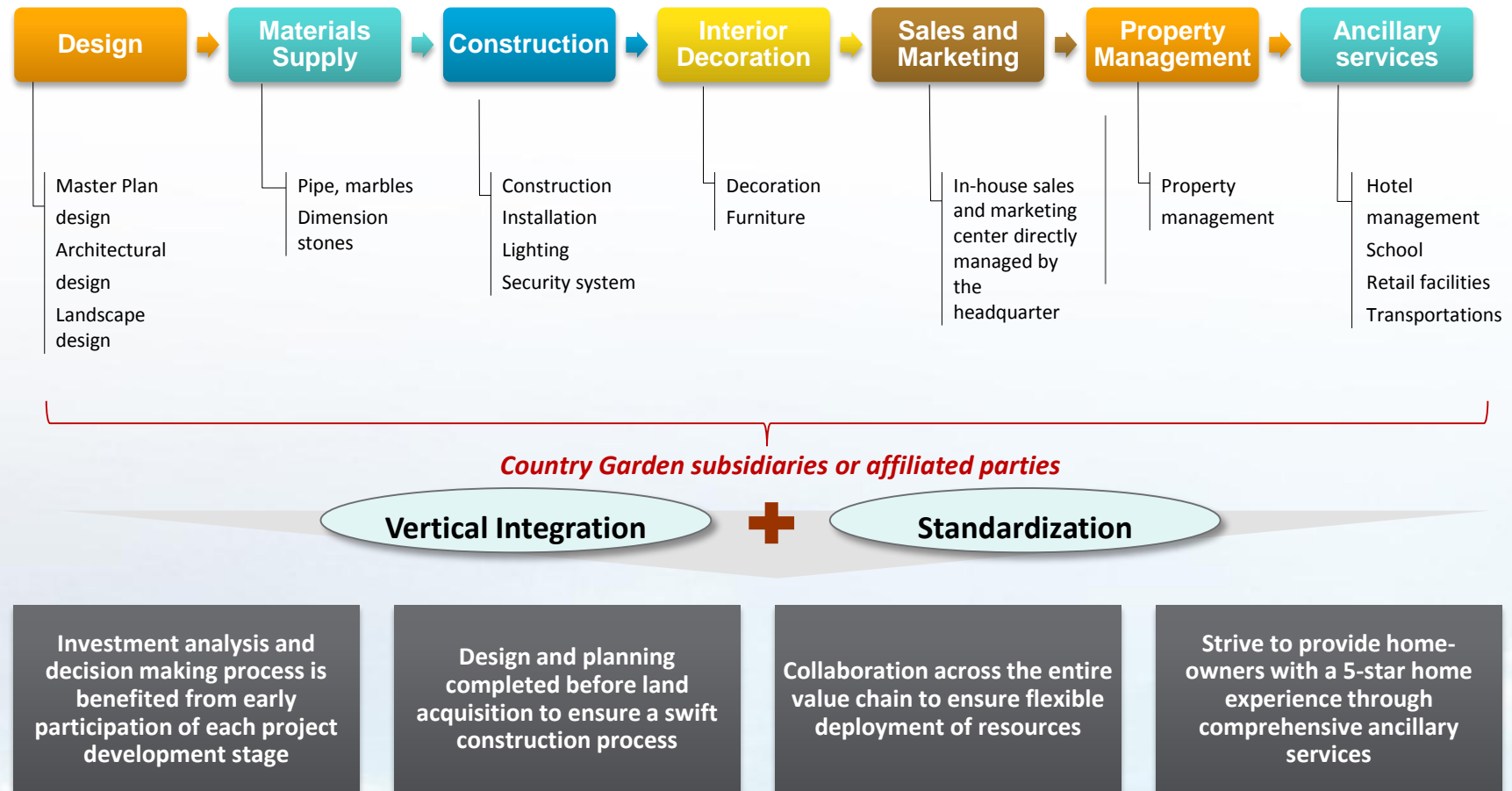
Appendix 1: New Land Acquisition In The First Half Year of 2015

New Land Acquisition in 2015 1H						
Province	Project	City (District)	Site Area (sqm)	Expected GFA (sqm)	Land Cost (RMB Million)	CG Equity Ratio**
Guangdong	Houjie Country Garden*	Dongguan(Houjie)	11,196	39,186	104	100%
Guangdong	Country Garden-Sanshui Huafu*	Foshan(Sanshui)	38,667	135,335	213	94%
Hebei	Country Garden-Guangting Lake 1*	Zhangjiakou(Huailai)	66,667	46,000	65	51%
Jiangsu	Taicang Country Garden*	Suzhou(Taicang)	78,667	173,067	461	100%
Guizhou	Kaili Country Garden*	Kaili (Riverside new city)	165,333	181,866	155	92%
Hunan	Huaihua Country Garden*	Huaihua(He City)	185,333	463,333	167	43%
Guangdong	Country Garden-Yiquan Villa*	Huizhou(Huiyang)	70,000	90,300	70	46%
Henan	Pingdingshan Country Garden*	Pingdingshan (Zhanhe)	61,333	214,666	162	43%
Henan	Country Garden-Phoenix Bay*	Xinxiang(Pingyuan)	148,667	285,441	259	100%
Guangdong	Holiday Islands-Twinkle Star Bay*	Qingyuan(Qingcheng)	30,000	60,000	54	100%
Guangdong	Gaozhou Country Garden-Phoenix City Phase III	Maoming(Gaozhou)	137,908	248,234	134	90%
Guangdong	Country Garden - Jade Bay	Jiangmen(Kaiping)	65,609	78,731	53	90%
Sichuan	Country Garden - City Garden 「 Chengdu*	Chengdu(Jinniu)	70,667	180,201	385	51%
Hainan	Country Garden-Meilang Bay*	Chengmai(Dafeng)	130,000	127,400	140	70%
Liaoning	Country Garden-Xuefu 1*	Shenyang(Huanggu)	62,667	144,134	201	60%
Total			4,367,407	7,553,769	8,021	-
June sub-total			1,537,000	2,880,968	2,903	

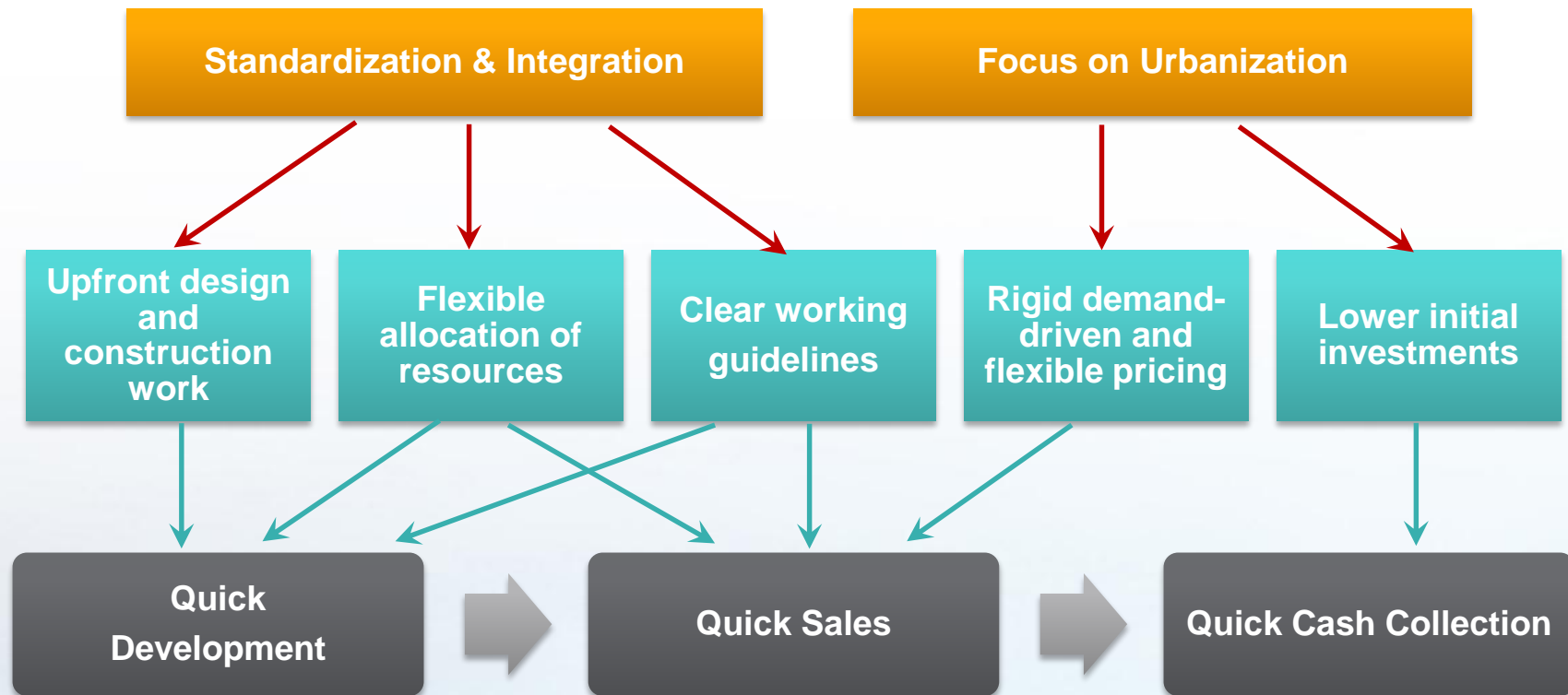
*New projects in 2015

**CG's project level equity stake may subject to change due to the implementation of the partnership scheme, under which CG's senior management teams from both HQ and project level are required to take no more than 15% of equity of all the projects acquired after October 2014.

Appendix 2: Business Model – Integrated and Standardized Value Chain



Appendix 2: Business Model – Integrated and Standardized Value Chain



Appendix 3: Contracted Sales and New Launch Projects

10 New Projects launched in 1H2015 with a contracted sales of RMB3.6 bn

Project Name (Location)	Launch Date	Project Name (Location)	Launch Date
Country Garden (Guangdong - Qingyuan Lianzhou)	February	Shijiazhuang Country Garden (Hebei - Shijiazhuang Yuanshi)	May
Anyi Country Garden (Jiangxi - Nanchang Anyi)	February	Country Garden - Times City (Jiangsu - Zhenjiang Jurong)	May
Country Garden - Egret Bay (Jiangsu - Wuxi Jiangyin)	February	Jintan Country Garden (Jiangsu - Changzhou Jintan)	June
Huanggang Country Garden (Hubei - Huanggang Huangzhou)	February	Xuchang Country Garden (Henan - Xuchang Xuchang)	June
Nanshan Country Garden (Guizhou - Bijie Qixingguan)	April	Tong'an Country Garden (Jiangsu - Suzhou Gaoxin District)	June

26 new projects to be launched in 2H2015*

Project Name (Location)	Launch Date	Project Name (Location)	Launch Date	Project Name (Location)	Launch Date
Country Garden - Hill Lake Palace (Hubei - Jingmen Shayang)	July (Launch)	Country Garden - Guanting Lake One (Hebei - Zhangjiakou Huailai)	September	Lianyungang Country Garden (Jiangsu - Lianyungang Haizhou)	October
Country Garden - Jade Bay (Guangdong - Dongguan Qingxi)	August (Launch)	Fu'an Country Garden (Fujian - Ningde Fu'an)	September	Taichang Country Garden (Jiangsu - Suzhou Taichang)	November
Leizhou Country Garden (Guangdong - Zhanjiang Leizhou)	August (Launch)	Country Garden-Jingshanling Greatwall Valley (Hebei - Chengde Luanping)	September	Country Garden - Meilang Bay (Hainan - Chengmai Dafeng)	November
Zhengzhou Country Garden (Henan - Zhengzhou Xinyang)	August (Unlunch)	Xingtai Country Garden (Hebei - Xingtai Xingtai)	September	Changshu Country Garden (Jiangsu - Suzhou Changshu)	November
Huaihua Country Garden (Hunan - Huaihua Hecheng)	August (Unlunch)	Country Garden - Institution One (Liaoning - Shenyang Huanggu)	September	Tianhui Country Garden (Guangdong - Dongguan Dalang)	November
Lufeng Country Garden (Guangdong - Shanwei Lufeng)	August (Unlunch)	Country Garden - Yiquan Hills (Guangdong - Huizhou Huiyang)	September	Pingdingshan Country Garden (Henan - Pingdingshan Zhanhe)	December
Luanzhougucheng Country Garden (Hebei - Tangshan Luanxian)	September	Zhijin Country Garden (Guizhou - Bijie Zhijin)	October	Country Garden - Sanshui Mansion (Guangdong - Foshan Sanshui)	December
Jian'ou Country Garden (Fujian - Nanping Jianou)	September	Kaili Country Garden (Guizhou - Kaili Binjiang new district)	October	Country Garden - City Garden 「 Chengdu」 (Sichuan - Chengdu Jinniu)	December
Hancheng Country Garden (Shaanxi - Hancheng New urban District)	September	Country Garden - Phoenix Bay (Henan - Xinxiang Pingyuan)	October		

Notes: * As of June 30th; 50 new projects to be launched in 2H2015 as of July 31th

Appendix 4: Top 10 projects with the highest contract sales in 2015 1H

Project Name (Location)	Contracted Sales (Approximate)	Contracted GFA (Approximate)
Country Garden - Ten Miles Beach (Guangdong - Huizhou Huidong)	2.27 Billion RMB	290 Thousand Sqm
Country Garden - Lanzhou New City (Gansu - Lanzhou Chengguan)	1.96 Billion RMB	244 Thousand Sqm
Country Garden - Coral Palace (Hainan - Lingshui Yingzhou)	1.87 Billion RMB	106 Thousand Sqm
Shijiazhuang Country Garden (Hebei - Shijiazhuang Yuanshi)	1.39 Billion RMB	208 Thousand Sqm
Sanming Country Garden (Fujian - Sanming Meilie)	1.17 Billion RMB	165 Thousand Sqm
Country Garden - Grand Palace (Guangdong - Dongguan Dongkeng)	1.14 Billion RMB	175 Thousand Sqm
Shanwei Country Garden (Guangdong - Shanwei Shanwei)	1.13 Billion RMB	183 Thousand Sqm
Country Garden - Galaxy Palace (Liaoning - Shenyang Yuhong)	1.04 Billion RMB	141 Thousand Sqm
Country Garden - Phoenix City (Jiangsu - Zhenjiang Jurong)	1.04 Billion RMB	187 Thousand Sqm
Country Garden Danga Bay (Malaysia - Johor Bahru)	0.94 Billion RMB	57 Thousand Sqm

Appendix 5: Top 10 projects by recognized revenue in 2015 1H

Project Name (Location)	Recognized Revenue (Approximate)	Recognized Area (Approximate)
Country Garden - Ten Miles Beach (Guangdong - Huizhou Huidong)	2.95 Billion RMB	464 Thousand Sqm
Country Garden - Eco City (Hubei - Wuhan Hongshan)	2.72 Billion RMB	404 Thousand Sqm
Country Garden - Galaxy Palace (Liaoning - Shenyang Yuhong)	1.75 Billion RMB	253 Thousand Sqm
Shunde Country Garden - including Country Garden West Court (Guangdong - Foshan Shunde)	1.55 Billion RMB	193 Thousand Sqm
Country Garden Hill Lake Bay (Guangdong - Guangzhou Nansha)	1.54 Billion RMB	160 Thousand Sqm
Country Garden - Golden Beach (Hainan - Lingao Lingao)	1.41 Billion RMB	209 Thousand Sqm
Wuhu Country Garden (Anhui - Wuhu Sanshan District)	1.15 Billion RMB	271 Thousand Sqm
Country Garden - City Garden (Anhui - Chuzhou Lai'an)	1.12 Billion RMB	239 Thousand Sqm
Danyang Country Garden (Jiangsu - Zhengjiang Danyang)	1.08 Billion RMB	177 Thousand Sqm
Country Garden - Phoenix City (Jiangsu - Zhenjiang Jurong)	1.07 Billion RMB	188 Thousand Sqm

Note : Including underground area

Appendix 6: Cash Flow Statement

Cash Flow Statement (RMB bn)		
1. Cash flows from operating activities*	2014 1H	2015 1H
Property sales	55.34	49.60
Cash inflow from other segments and other operations	0.95	1.60
Construction payments	-31.20	-32.06
Land acquisition	-14.89	-7.73
Interests paid	-2.24	-2.39
Salary payments and Welfare	-4.12	-6.90
Taxes	-7.65	-7.88
Cash flows used in operating activities - net	-3.81	-5.76
2. Cash flows from investing activities(mainly fixed-asset investments)	-2.66	-1.86
3. Cash flows from financing activities	-	-
Rights issue	-	4.95
Net proceeds from bank borrowings	0.87	3.18
Perpetual Capital Securities	3.09	-
Dividends paid	-	-
Others	0.16	-0.44
Cash flows from financing activities - net	4.12	7.69
4.Exchange losses on cash and cash equivalents	0.09	-0.06
5.Cash and cash equivalents	-2.25	0.01
Add: Cash and cash equivalents at the beginning of the year (Available)	26.68	27.21
6. Cash and cash equivalents at the end of the year (Available)	24.42	27.22

* Including guarantee deposits for construction of pre-sale properties