



COUNTRY
GARDEN

FIVE
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living for you

Financial Year 2016: Interim Results Presentation

18 August 2016



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Results and Management Highlights

Summary of Results

	As at 31 December		As at 30 June		1H2016
(RMB Billion) ¹	2014	2015	2015	2016	YoY growth
Total assets	268.0	362.0	288.5	424.2	47%
Total liabilities	205.6	272.6	219.5	331.7	51%
Total debt ²	61.1	89.7	64.6	96.9	50%
Cash and cash equivalents (adjusted) ³	27.2	47.9	27.2	49.4	82%
Net debt	33.9	41.9	37.3	47.5	27%
Total equity	62.4	89.3	69.0	92.5	34%
Equity attributable to owners of the Company	56.7	65.3	63.2	68.6	9%
Number of projects ⁴	242	384	278	536	93%
Weighted average borrowing cost	7.59%	6.20%	7.07%	5.76%	-131bp
Net gearing ratio	57.0%	60.0%	56.3%	62.6%	+6.3p.p.
Adjusted liability/asset ratio ⁵	42.5%	48.7%	48.7%	48.5%	-0.2p.p.

	For the financial year ended 31 December		For the six months ended 30 June		1H2016
(RMB Billion) ¹	2014	2015	2015	2016	YoY growth
Contracted sales ⁶	130.9	140.2	54.5	125.1	130%
Revenue	84.5	113.2	47.3	57.4	21%
Gross profit	22.1	22.9	11.0	12.0	9.6%
SG&A	7.5	7.9	2.9	3.8	31%
As a percentage of contracted sales (%)	5.8%	5.6%	5.5%	3.1%	-2.4p.p.
Net profit	10.6	9.7	5.4	6.2	15%
Net profit attributable to owners of the Company	10.2	9.3	4.9	5.4	9.3%
Core net profit attributable to owners of the Company ⁷	9.2	9.7	4.9	5.0	2%
EPS (RMB cents)	53.45	42.54	23.34	24.18	4%
Payout ratio ⁸ (%)	36.1%	30.0%	30.0%	31.0%	+1p.p.
Dividend per share ⁹ (RMB cents)	14.75	12.95	6.48	6.92	7%

Management Highlights for 1H2016

Sales Results

- ✓ Achieved contracted sales of approximately RMB125.1 billion with contracted GFA of approximately 15.64 million sq.m. in the first six months of 2016, representing a year-on-year increase of 130% and 85% respectively
- ✓ Achieved RMB100 billion in contracted sales in mid-year for the first time

Partnership Scheme

- ✓ Projects on partnership scheme: 319
- ✓ 151 projects on partnership scheme already launched for sale
- ✓ Achieved accumulated contracted sales of RMB100.4 billion
- ✓ Average cash flow breakeven period: 8.3 months; annualized investment return¹⁰ : 65%; net profit margin for contracted sales: 12.5%

Cash Flow Management

- ✓ Cash generated from property sales for the first six months of 2016 amounted to RMB105.1 billion, achieving positive cash flow excluding operating cash expenditure for land and construction, etc.

Profit level

- ✓ Gross profit amounted to RMB12.0 billion, up 9.6% YoY; gross profit margin recovered to 21.0% from 2015's 20.2%
- ✓ Net profit attributable to owners of the Company amounted to RMB5.4 billion, up 9.3% YoY
- ✓ Dividend per share was RMB6.92 cents, up 7% YoY; payout ratio⁸ reached 31%

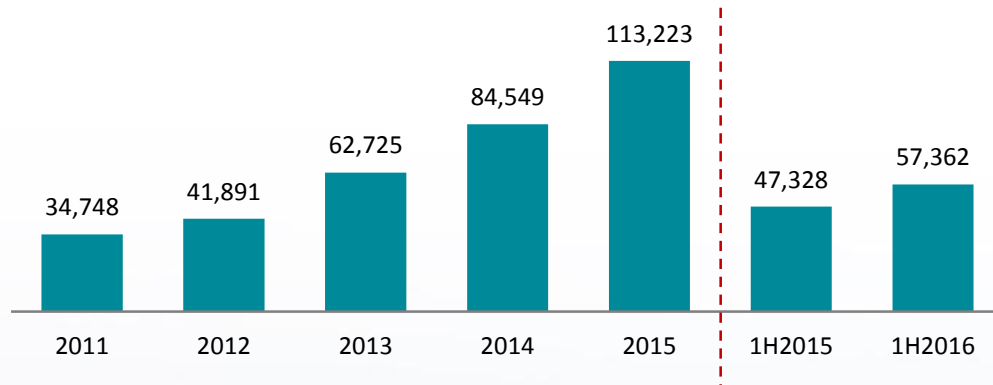
Notes:

1. Unless stated otherwise
2. Total debt = bank and other borrowings + senior notes + corporate bonds
3. Adjusted cash and cash equivalents = cash and cash equivalents + guarantee deposits for construction of pre-sale properties
4. Contracted or land permit received
5. Adjusted liability/asset ratio = (total liabilities—advanced proceeds received from customers)/total assets
6. Achieved by the Company and its subsidiaries, together with its joint ventures and associates
7. 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
8. Payout ratio = total dividend / core net profit attributable to the owners of the Company
9. Total dividend of FY2015 : Sum of Interim dividend 6.48 cents and final dividend 6.47 cents
10. Annualized investment return = (net margin*percentage of equity share) / annualized investment = (net margin*percentage of equity share) / (investment*numbers of years of investment)

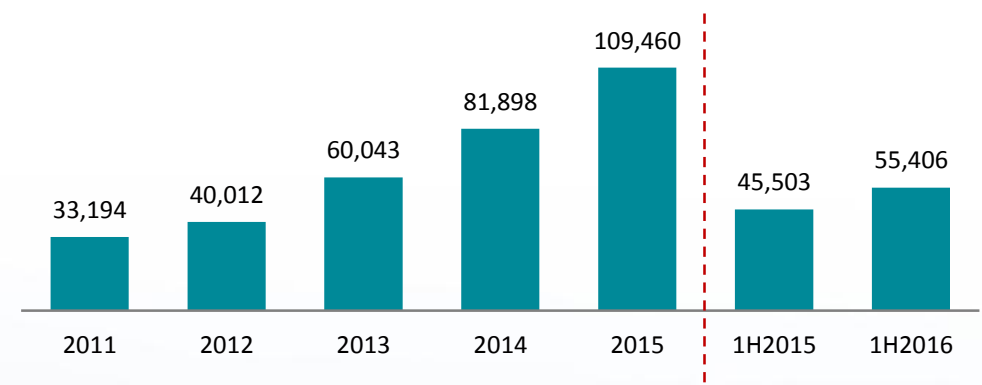


Financial Overview: Core Indicators (1/2)

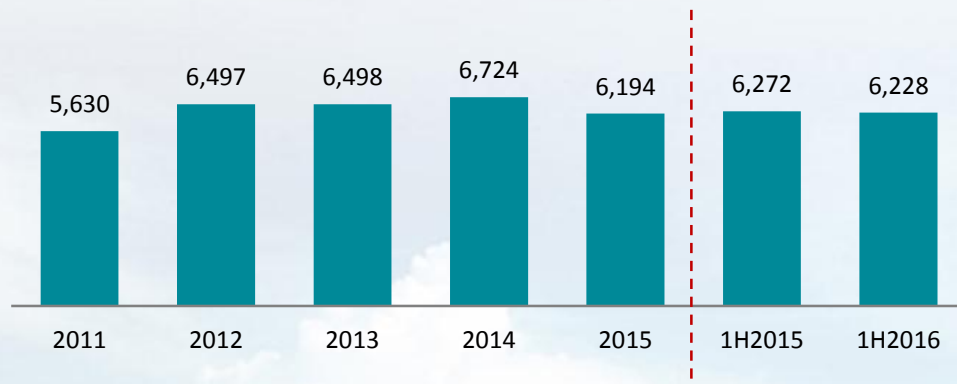
Revenue (RMB million)



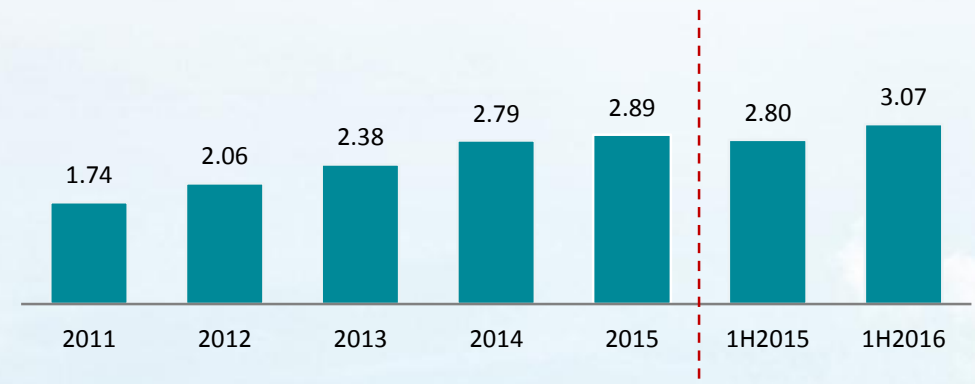
Recognized revenue from property development (RMB million)



Recognized average selling price (RMB/sqm)

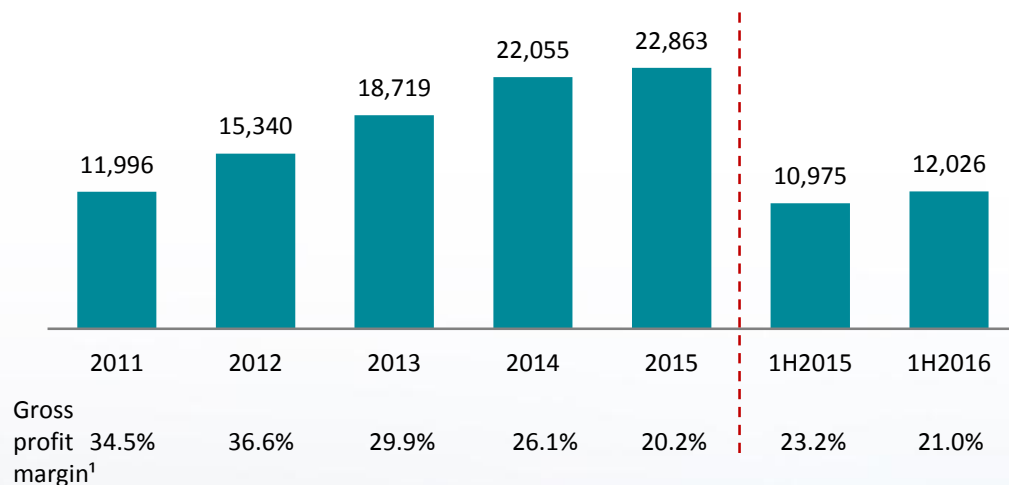


Period-end book value per share (RMB)

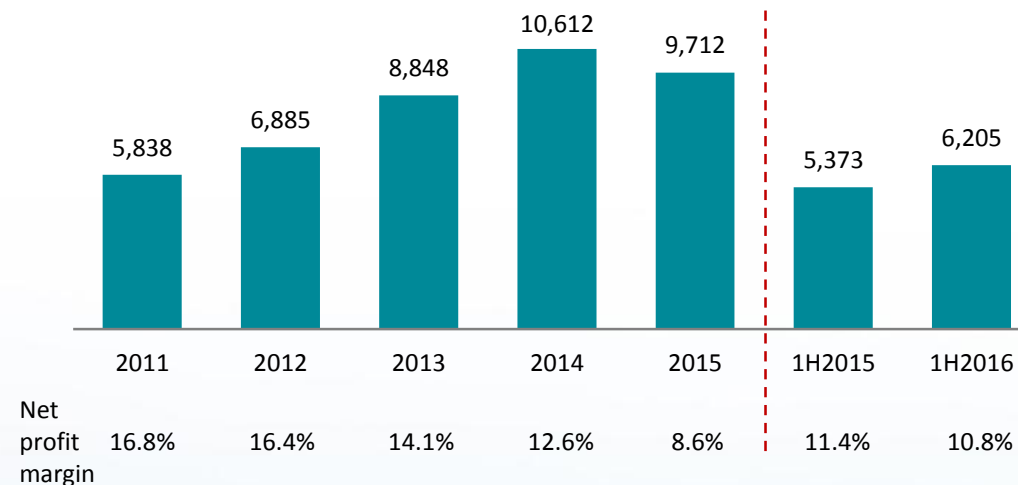


Financial Overview: Core Indicators (2/2)

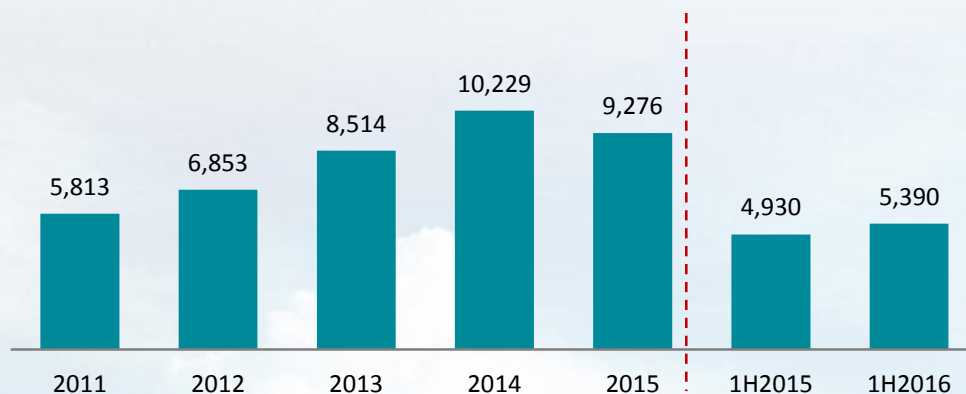
Gross profit¹ (RMB million)



Net profit (RMB million)



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



Core net profit² (RMB million)

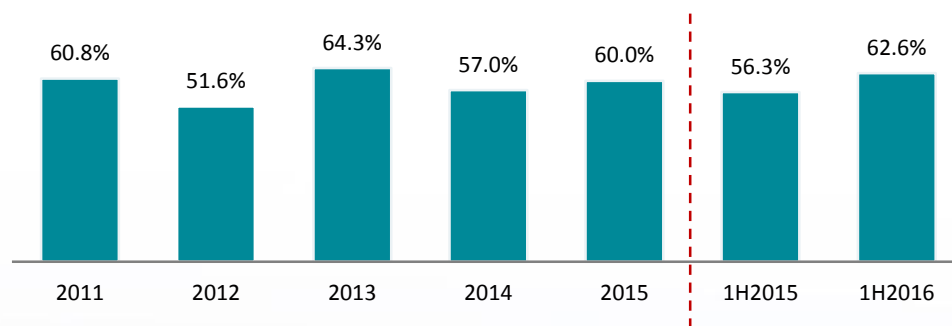


Notes:

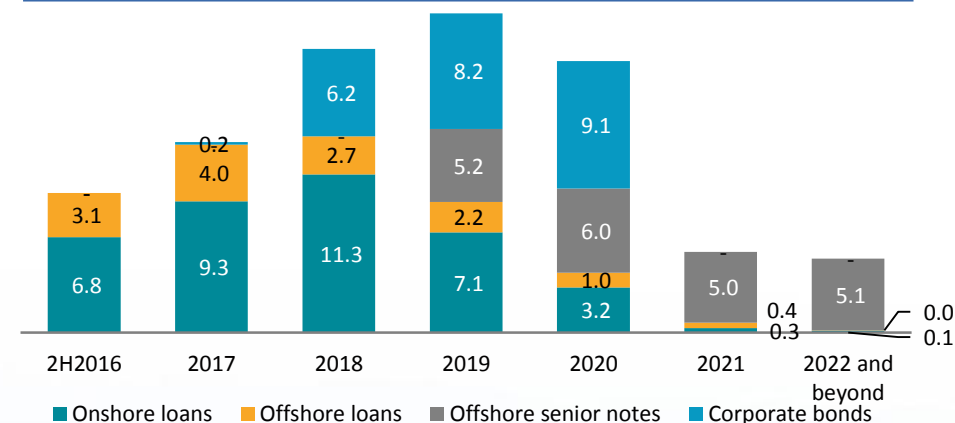
1. Gross profit and gross margin before LAT
2. Excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments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

Financial Overview: Capital Structure (1/2)

Net gearing ratio¹



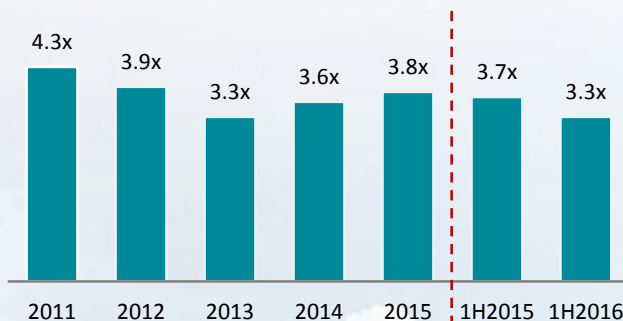
Debt maturity as of 30 June 2016 (RMB bn)



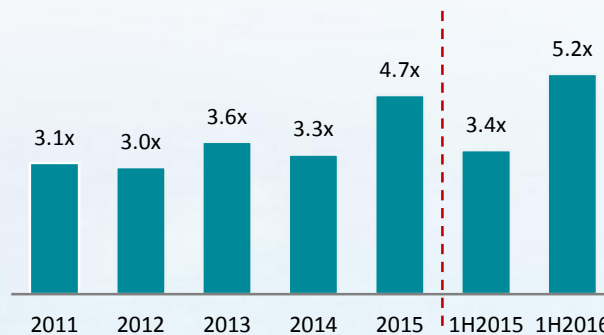
Budget management and control net gearing ratio

Optimizing debt profile

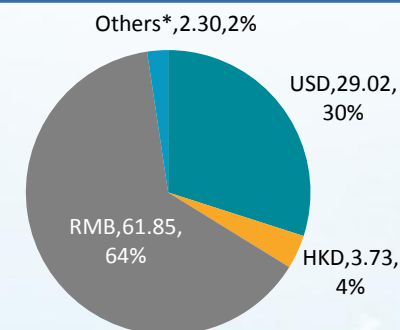
EBITDA² / Interest coverage



Total debt³/EBITDA²



Debt by currency (RMB bn)

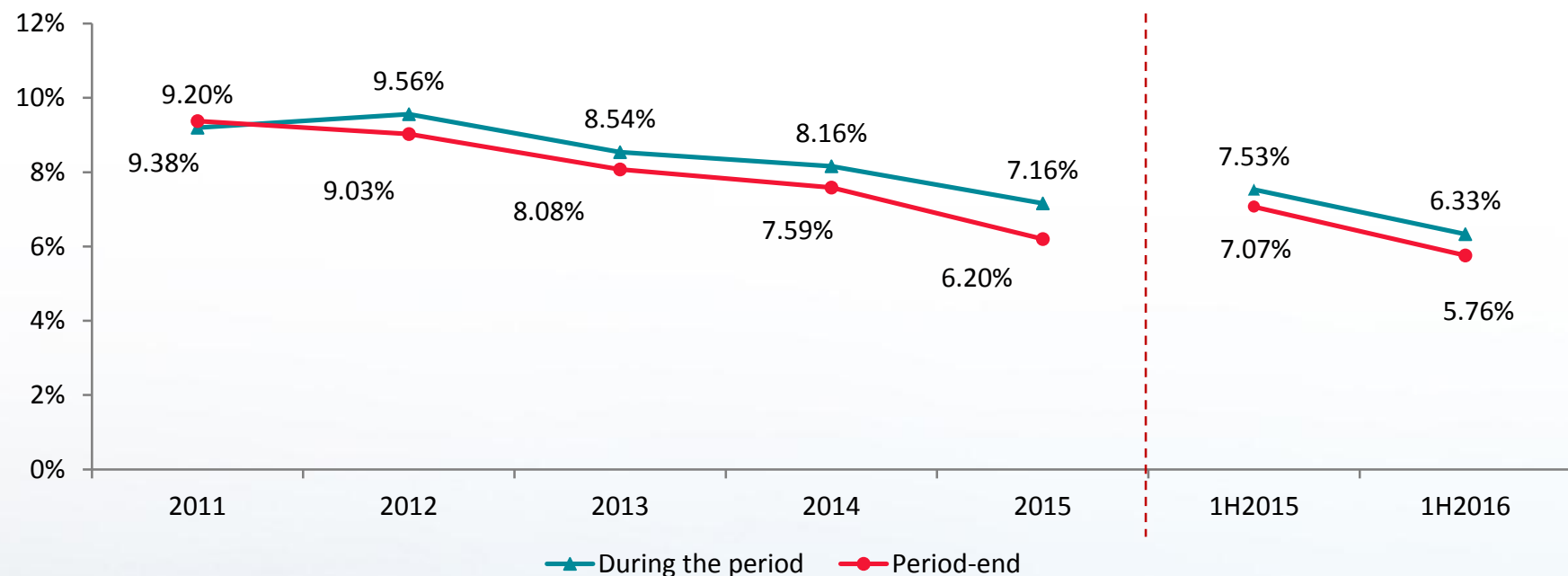


Notes:

- Net gearing ratio = $\frac{\text{total debt} - \text{cash \& cash equivalents} - \text{guarantee deposits for construction of pre-sale properties}}{\text{total equity (excluding perpetual capital securities)}}$
- EBITDA defined as operating profit + interest expenditure + PP&E depreciation + amortization of land use rights and intangibles, excluding foreign exchange gain or loss and other extraordinary gains and losses
- Total debt = bank and other borrowings + senior notes + corporate bonds
- Others* : including MYR and other currencies

Financial Overview: Capital Structure (2/2)

Weighted average borrowing cost

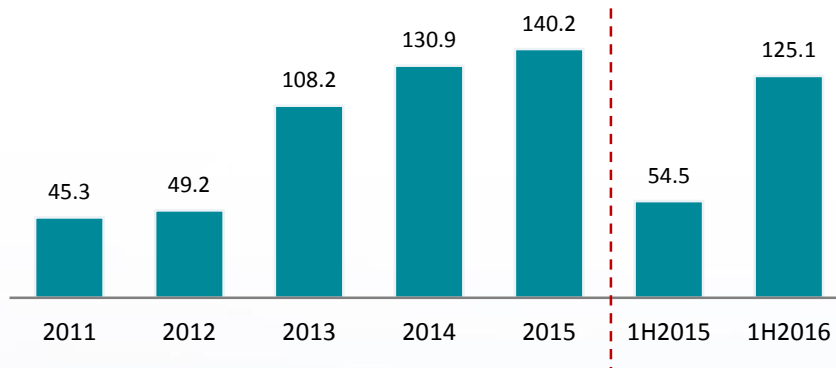


- Cash generated from property sales for the first six months of 2016 amounted to RMB105.1 billion, achieving positive cash flow excluding operating cash expenditure for land and construction, etc.
- Adopted various ways on hedging exchange rate risk, reducing foreign exchange loss of RMB293 million through hedging in the first half of 2016
- Perpetual Capital Securities of RMB2.928 billion paid in April 2016; plan to pay off the remaining RMB16.6 billion this year

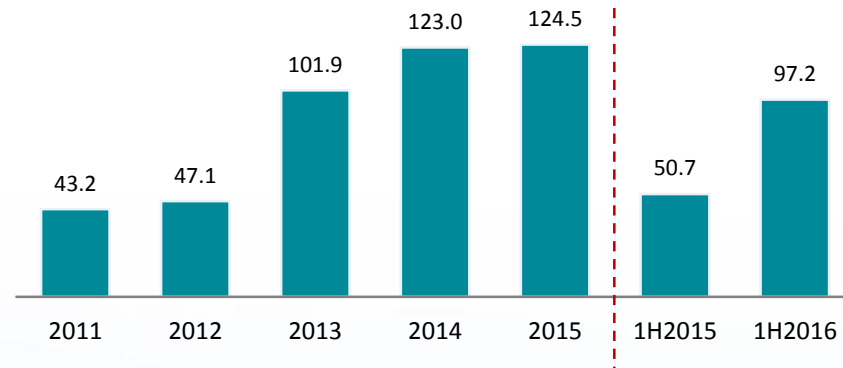


Business Overview: Contracted Sales (1/3)

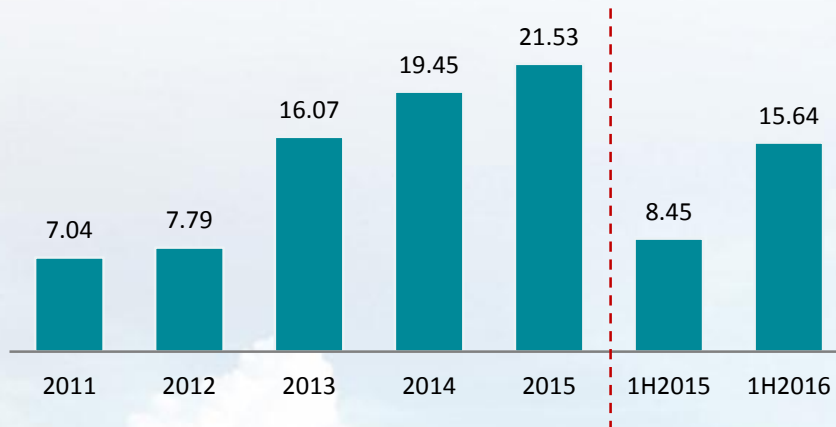
Contracted sales¹ (RMB bn)



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



Contracted GFA² (mn sqm)



Contracted sales ASP (RMB/sqm)

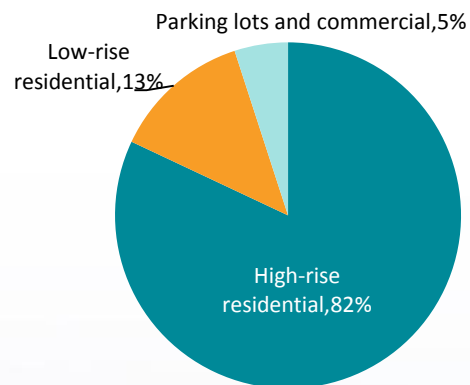


Notes:

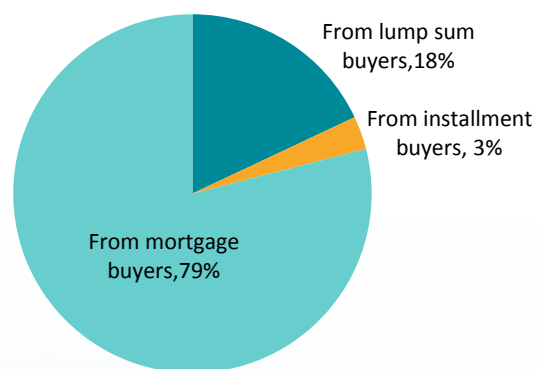
1. Contracted sales achieved by the Company and its subsidiaries, together with its joint ventures and associates
2. Contracted GFA achieved by the Company and its subsidiaries, together with its joint ventures and associates

Business Overview: Contracted Sales (2/3)

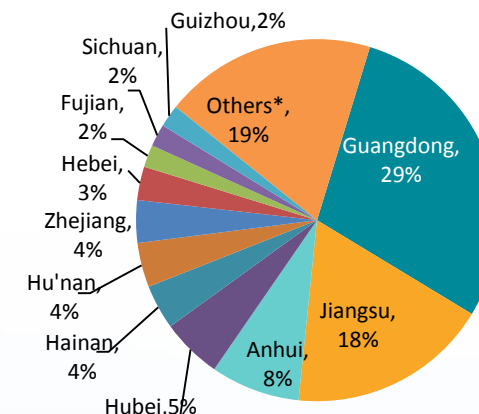
Contracted sales breakdown by types of products in 1H2016 (by value)



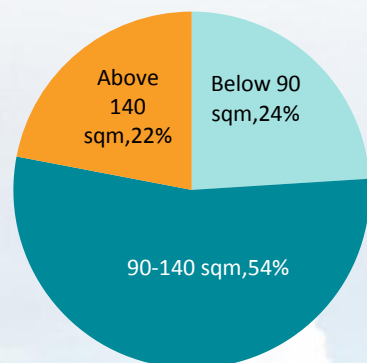
Domestic contracted sales payment type breakdown in 1H2016 (by value)



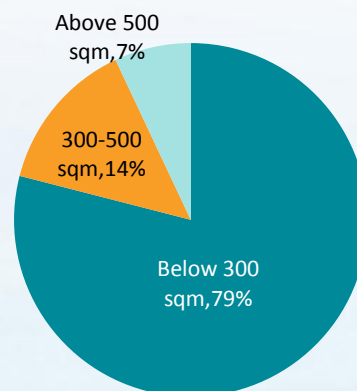
Contracted sales breakdown by provinces/regions in 1H2016 (by value)



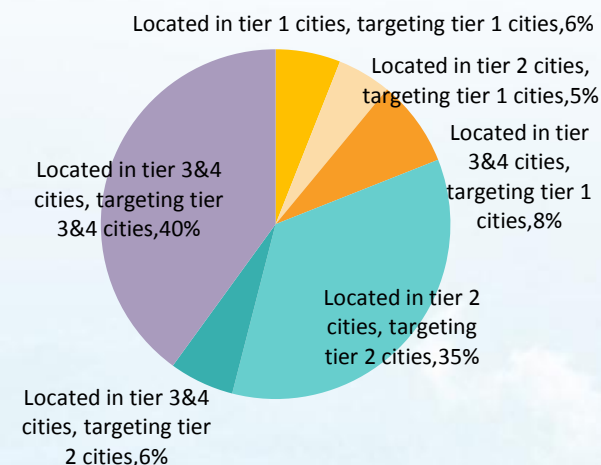
Contracted sales of high-rise residential size break down by size in 1H2016 (by value)



Contracted sales of low-rise residential size break down by size in 1H2016 (by value)



Domestic contracted sales breakdown by city type in 1H2016 (by value)



For 1H2016, domestic contracted sales breakdown by value: located in tier 1&2 cities: 46%; targeting tier 1&2 cities: 60%

Note :

1. Others* includes Liaoning, Guangxi, Henan, Tianjin, Gansu, Shandong, Jiangxi, Shanghai, Shaanxi, Chongqing, Inner Mongolia, Yunnan, Heilongjiang, Jilin, Shanxi, Australia, Malaysia

Business Overview: Contracted Sales (3/3)

Outstanding sales performance : introduction of key projects by cities

Target city	Located City	Project	Total land cost (RMB mn)	Total GFA (sqm)	Land cost (RMB/sqm)	Launched amount ¹ (RMB mn)	Accumulated sales ¹ (RMB mn)	Sell-through rate ¹	Expected net profit margin
Shanghai	Shanghai	Country Garden – Jiayu	608	75,638	8,033	856	606	71%	24%
Shenzhen	Dongguan	Songhu Country Garden	496	359,162	1,380	3,487	3,305	95%	29%
Nanjing	Nanjing	Nanjing Country Garden	1,022	462,367	2,211	3,112	2,880	93%	16%
Zhengzhou	Zhengzhou	Zhengzhou Country Garden	225	245,257	917	1,884	1,847	98%	13%
Fuyang	Fuyang	Fuyan Country Garden	443	279,895	1,583	1,472	1,157	79%	11%
Yangjiang	Yangjiang	Yangchun Country Garden	126	180,429	697	941	818	87%	12%

Outstanding sales performance: projects ranked first in terms of sales and projects with high market share

53 projects ranked first in terms of launch or total sales in 1H2016 in respective local markets (cities level or above)

- ✓ Three-category-champions in terms of sales/number of units/GFA : 27 projects including Country Garden – Ten Miles Beach, Country Garden – Phoenix City (Jurong), Lanzhou Country Garden, etc.
- ✓ Tow-category-Champions : 7 projects including Shanwei Country Garden (GFA and sales), Lu'an Country Garden (number of units and GFA), etc.
- ✓ One-category-Champions : 3 projects including Changsha Country Garden (sales), Zhoukou Country Garden (sales), etc.
- ✓ Debut sales champions : 16 projects including Songhu Country Garden, Country Garden – Shanghai Phoenix City, etc.

54 projects with market share of over 20% in County-level cities

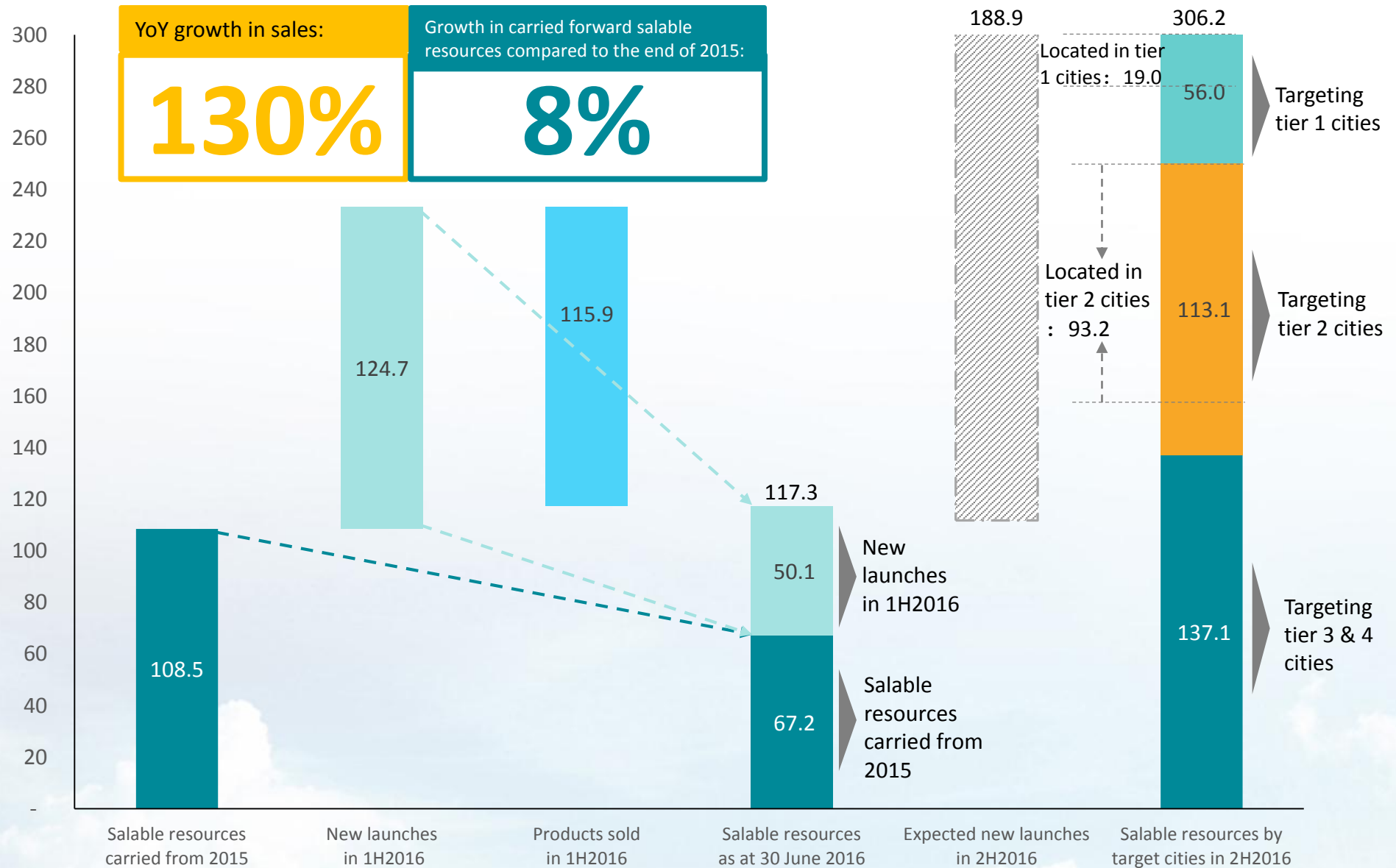
- ✓ Projects with market share of over 50% : 10 projects including Country Garden – Ten Miles Beach, Sanming Country Garden, Hanshou Country Garden, etc.
- ✓ Projects with market share of 30%-49% : 24 projects including Lianjiang Country Garden, Lujiang Country Garden, Country Garden – Phoenix Bay (Xinxiang), etc.
- ✓ Projects with market share of 20%-29% : 20 projects including Country Garden – Coral Palace, Xinhui Country Garden, Linqun Country Garden, etc.

Notes:

1. As at 30 June

Business Overview: Salable Resources - Sufficient Supply in the Future

Salable resources¹ (RMB billion)



Notes:

1. Excluding Asian Games City, Zhongshan Yahong Project and overseas projects. Salable resources are estimated by calculating expected ASP and GFA. Salable resources carried from 2015 refers to the completed but unsold or under construction unsold units with sales permit

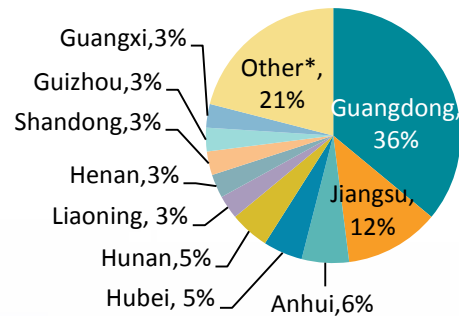
Business Overview: Land Bank (1/3)

As at 30 June 2016, number of projects acquired by the Group totaled 536, including 531 in China (190 in Guangdong Province), 4 in Malaysia and 1 in Australia. The Group's project in China span across 170 cities in 27 provinces/autonomous regions/municipalities, covering a total of 359 districts / counties.

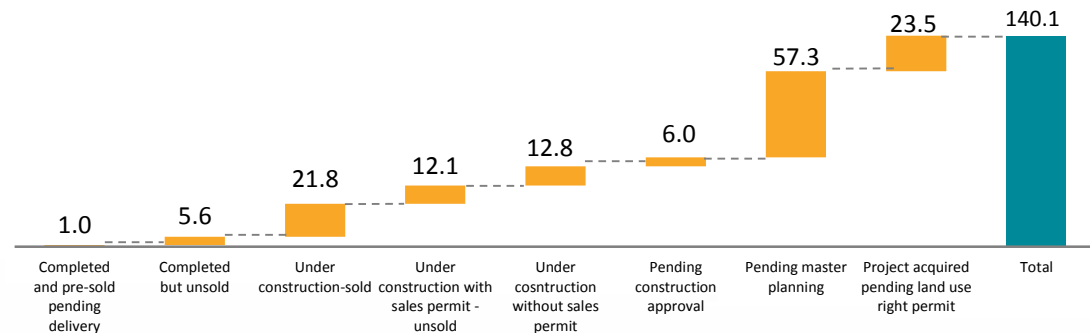


Business Overview: Land Bank – China (2/3)

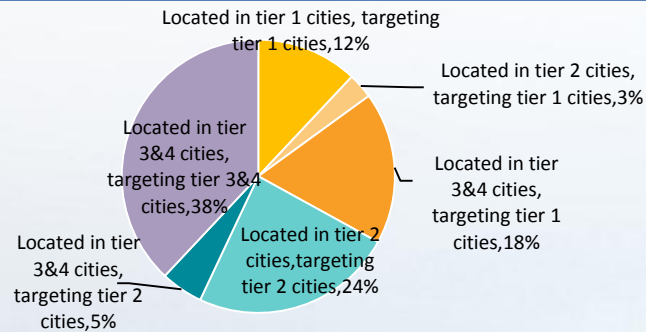
Land bank breakdown by location¹ (by GFA)



Land bank GFA breakdown by stages of development¹ (mn sqm)

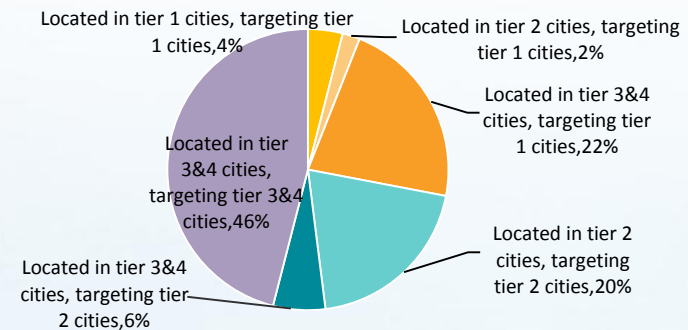


Newly acquired lands breakdown in 1H2016 by city type (by value)



Land acquisition targeting Tier 1&2 markets added up to 62% of land cost attributable to owners of the Company

Newly acquired lands breakdown in 1H2016 by city type (by GFA)



Land acquisition targeting Tier 1&2 markets added up to 54% of land GFA attributable to owners of the Company

For 1H2016, the expected GFA of the Group's 181 acquired lands was approximately 43.85 million sqm, with total cost of approximately RMB72.83 billion. Among them, expected GFA attributable to owners of the Company was approximately 31.49 million sqm with total cost of approximately RMB47.23 billion. The average land cost was RMB1,500/sqm

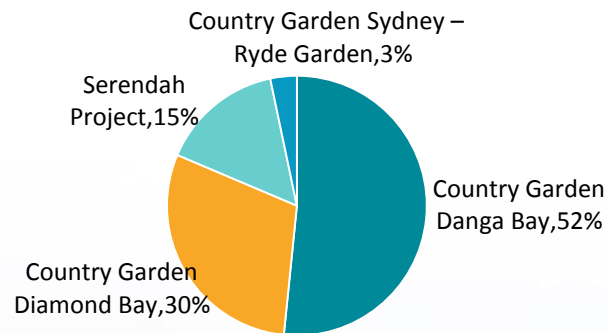
- Only 14 acquired lands have an ASP over RMB5,000/sqm, the highest land cost below RMB15,000/sqm
- 81 acquired lands through M&A, accounting for 61% of total land cost

Note :

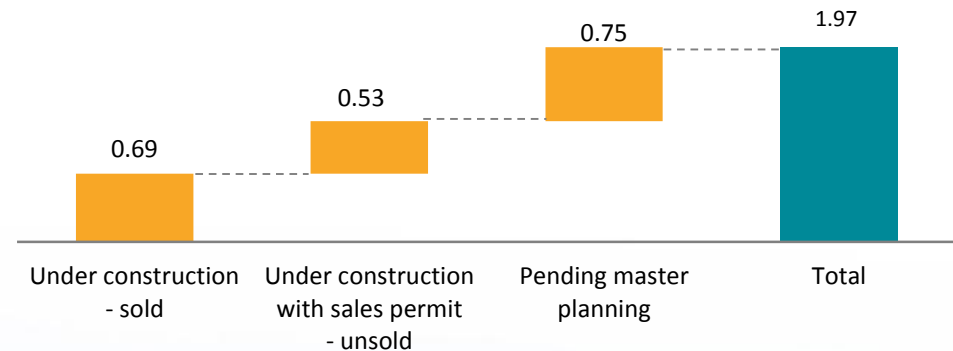
1. GFA breakdown of acquired projects as at 30 June 2016; contracted or land permit received
2. Others * include Sichuan, Inner Mongolia, Zhejiang, Fujian, Hebei, Hainan, Gansu, Chongqing, Jiangxi, Tianjin, Yunnan, Shanxi, Shanghai, Qinghai, Jilin, Heilongjiang and Shaanxi

Business Overview: Land Bank – Overseas (3/3)

Land bank breakdown by project¹
(excluding Forest City; by GFA)



Land bank breakdown by development stages¹
(excluding Forest City; million sq.m.)



Among which, 1.57 million sq.m. are attributable to owners of the Company

The Group's long term strategical project: Forest City in Johor, Malaysia



- A joint development by Country Garden and Johor State Government. Country Garden holds 60% interests while its partner hold 40% interests in the project
- Comprising a number of artificial islands, the project has planned area of 20 sq.km with an estimated total development period of 20 years
- Rental and resale income of residential buildings is eligible for 70% tax exemption, as such, comprehensive tax rate is merely 6%
- Industrial construction is in line with development trends with effective cost control
- Net profit margin of sold units reached over 20%



- Top 10 iconic projects in Guangdong Province under One Belt, One Road initiative
- Duty-free zone; independent customs; tax exemption for onshore corporations; a number of other incentive policies are under application progress



- Signed MOU with MJ Group
- Cooperated with ARUP from Singapore, Shattuck-St. Marys School from the US, SECOO, Xinye Education and EBAWE/Progress Group



Note :

1. Land bank acquired as of 30 June 2016; contracted or land permit received

Business Overview: Human resources – Stable core management team 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**

Covering leadership development programs, new employee training, on-the-job training, etc., to help employees become all-rounded industry talents

- **Reserve of high calibre talents**

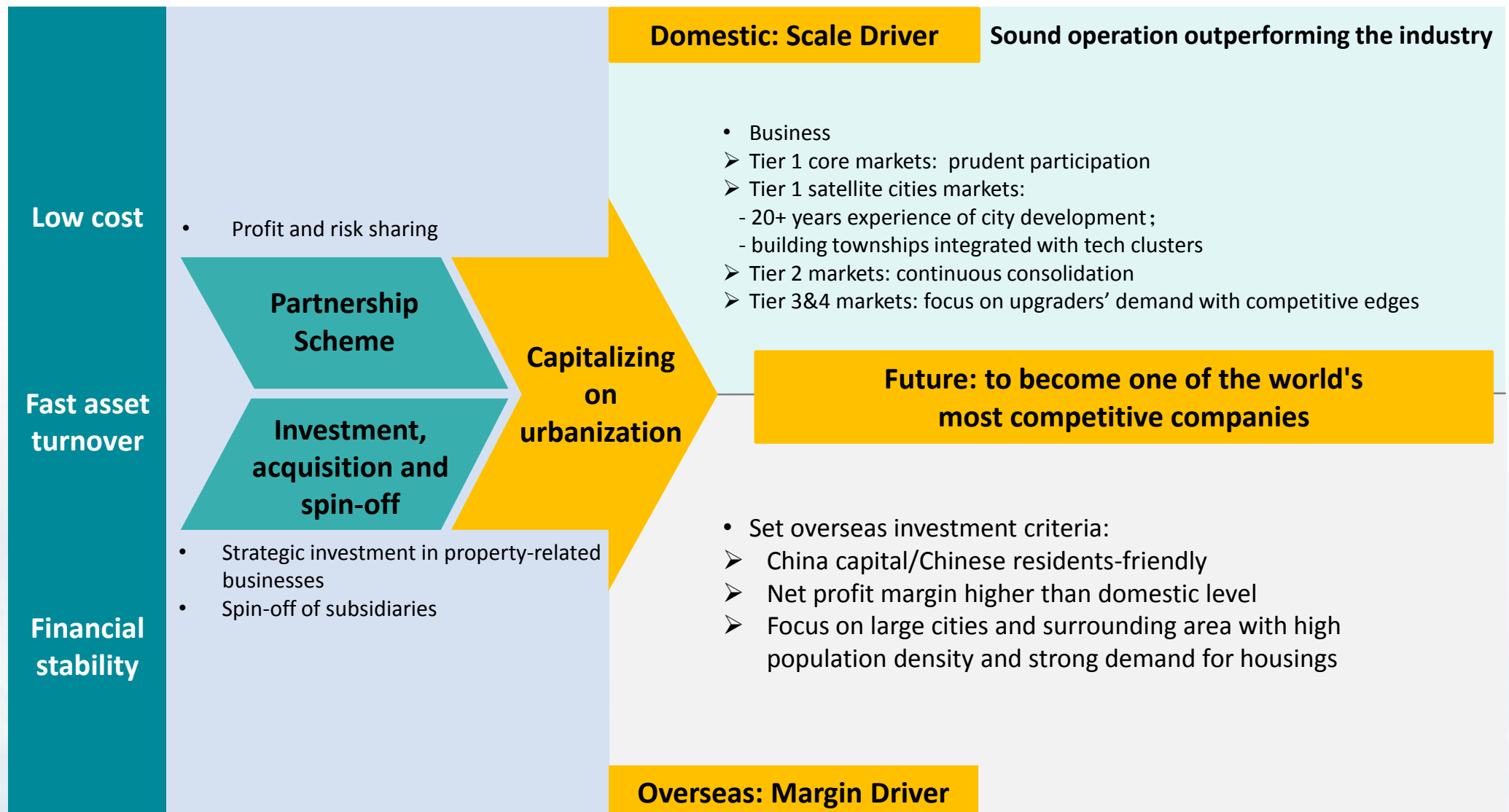
Introduce well educated talents from different backgrounds. As of end of 30 June 2016, 261 doctors have been included in a complete training program who will become the mainstay of our business in future

Results Highlights

- 1 Growth of revenue and profit**
Revenue amounted to RMB57.4 billion, up 21% YoY; gross profit margin remained stable compared to FY2015; net profit attributable to owners of the Company amounted to RMB5.4 billion, up 9.3% YoY
- 2 Proven property sales results with high sell-through rate**
Contracted sales amounted to RMB125.1 billion, up 130% YoY; achieved RMB100 billion in contracted sales in mid-year for the first time; salable resources only increased by 8% compared to end of 2015; achieved improvement in overall sell-through rate
- 3 Optimization of capital structure**
As at 30 June 2016, the Group's net gearing ratio remained stable at 62.6%
- 4 Shares buy-back with stable growth for dividend per share**
- 5 Further reduction of financing costs**
Weighted average borrowing cost as at 30 June 2016 was 5.76%, representing a YoY down of 131 basis points
- 6 Positive cash flow**
Cash generated from property sales for the first six months of 2016 amounted to RMB105.1 billion, achieving positive cash flow excluding operating cash expenditure for land and construction, etc.
- 7 Further optimization of land bank portfolio**
Ratio by amount of the Company's newly acquired land in 2016 with tier 1& 2 cities or tier 3&4 cities as target markets (excluding minority interests) was 62:38
- 8 Stable development of overseas expansion**
Overseas projects will become a new profit growth driver, the Company will gradually proceed the development according to market response
- 9 Increased product Competitiveness**
Better product quality, higher asp and pricing premium, successful delivery transaction of units to customers upon their first arrival has reached to 92%, representing a 9.5% YOY growth
- 10 Deepened cooperation with Ping An**
Continuous progress achieved in cooperation with Ping An in terms of marketing, land investment, community business and finance, etc.; contracted sales contributed by agents from Ping An reached RMB3.5 billion in the first six months this year
- 11 Other business operations results**
The Group's property management business achieved revenue of RMB0.97 billion, up 7.1% YoY



Strategy Overview: Capitalizing on urbanization, implementing partnership scheme and investment, acquisition and spin-off



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

- Country Garden's portfolio matrix: capturing opportunities from government policies, adapting to various stages of urbanization, and sustaining the success of Country Garden's expertise

Tier 3&4			<ul style="list-style-type: none">Outstanding competitive edgesFocus on high net-worth individuals and upgraders' demandTypical projects: Fuyang Country Garden, Lianjiang Country Garden	<p>According to unsold land bank as of end of 30 June 2016</p> <ul style="list-style-type: none">Projects targeting tier 3&4 cities expected to provide approx. RMB387.7 billion salable resources¹ in 2H2016 onwards <p>Projects targeting tier 2 cities expected to provide approx. RMB300.4 billion salable resources¹ in 2H2016 onwards</p> <p>Projects targeting tier 1 cities expected to provide approx. RMB219.7 billion salable resources¹ in 2H2016 onwards</p> <p>Total salable resources: RMB907.8 billion</p>
Tier 2			<ul style="list-style-type: none">Continuous consolidationTypical projects: Lanzhou Country Garden, Zhengzhou Country GardenCapture spillover demand from tier 2 citiesDevelop large-scale anchor projects to support resultsTypical projects: Country Garden · Xian-lin-dong-jun(Zhenjiang), Country Garden · Phoenix Bay(Xinxiang)	
Tier 1			<ul style="list-style-type: none">Monitoring and participationLower cost by adopting ways other than bidding, auction and listing to acquire landTypical projects: Country Garden · Phoenix Park(Zengcheng), Country Garden · Nansha Bay OneCapture spillover demand from tier 1 citiesDevelop large-scale anchor projects to support resultsTypical projects: Songhu Country Garden, Country Garden- Impression Garden(Foshan)Capture buyers' demand from tier 1 citiesDevelop large-scale anchor projects to support resultsTypical projects: Country Garden- Cuihu Bay(Huizhou), Country Garden-Guanting Lake(Zhangjiakou)	
Tier 1			Tier 2	Tier 3&4
Geographical location				

Note:

- Salable resources are estimated by calculating expected ASP and GFA.

Capitalizing on urbanization: building townships integrated with tech clusters

Tier 1 & 2 Future Strategic Supplement

Building townships integrated with tech clusters

- Source of quality banking in the tier 1 metropolitan area;
- Source of favourable policy incentives;
- Source of profit in the long term;
- Access to develop other property related businesses

Potential project locations

- Huidong Nianshan Eco Tech-city located in Nianshan Huidong Huizhou with a site area of 20.7 sq.km.; 80km from Shenzhen
- Huizhou Tonghu Tech-town located in Tonghu eco smart region with a site area of 1 sq.km.; 50km from Shenzhen
- Huizhou Tonghu Science City located in Tonghu eco smart region with a site area of 6 sq.km.; 50km from Shenzhen

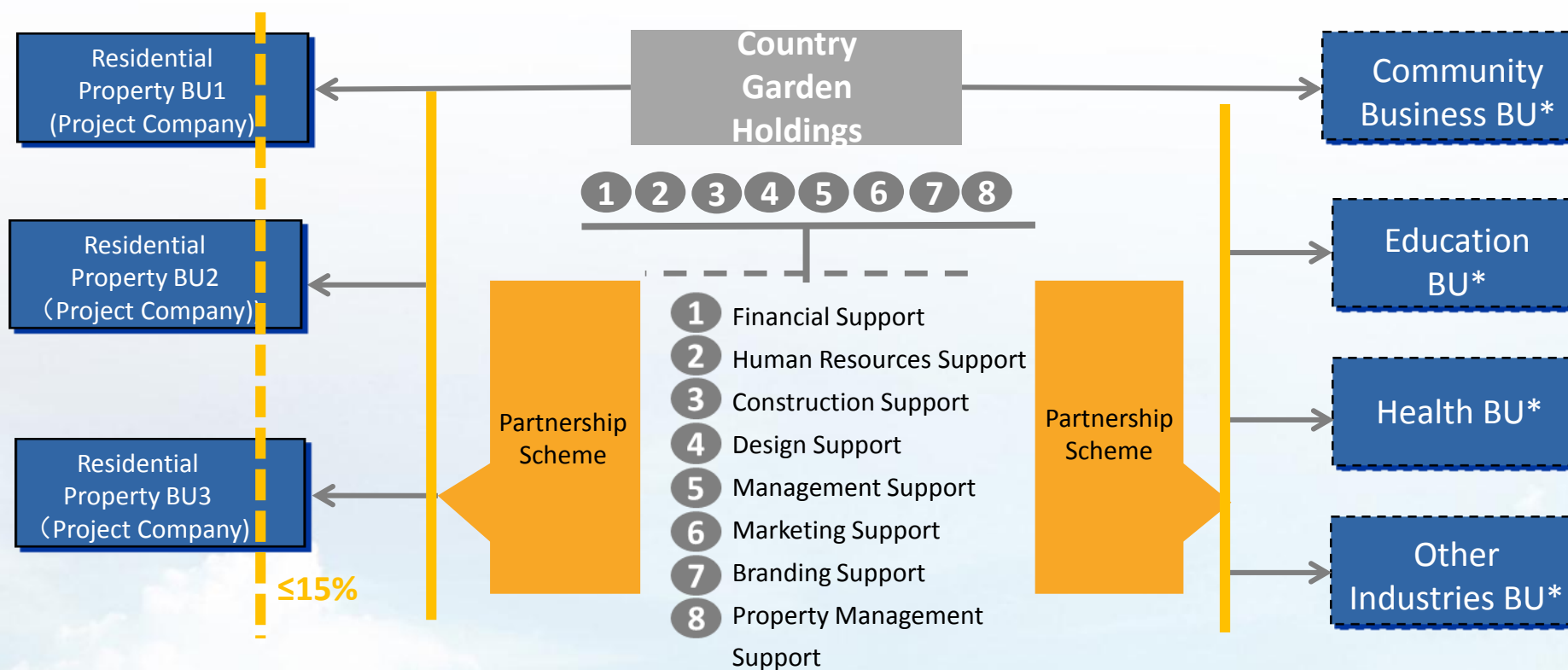
Rationale behind the move

- Future policy incentive potential: in response to the government's call for building creative hub
- Local authorities tend to demand technology and industrial/investment properties elements as part of the deal when offering land or land discount
- In need of an integrated platform to gather external resources for property related businesses

Enhancing partnership scheme

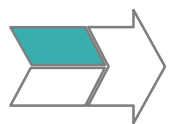
Partnership Scheme

- 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.



Note:

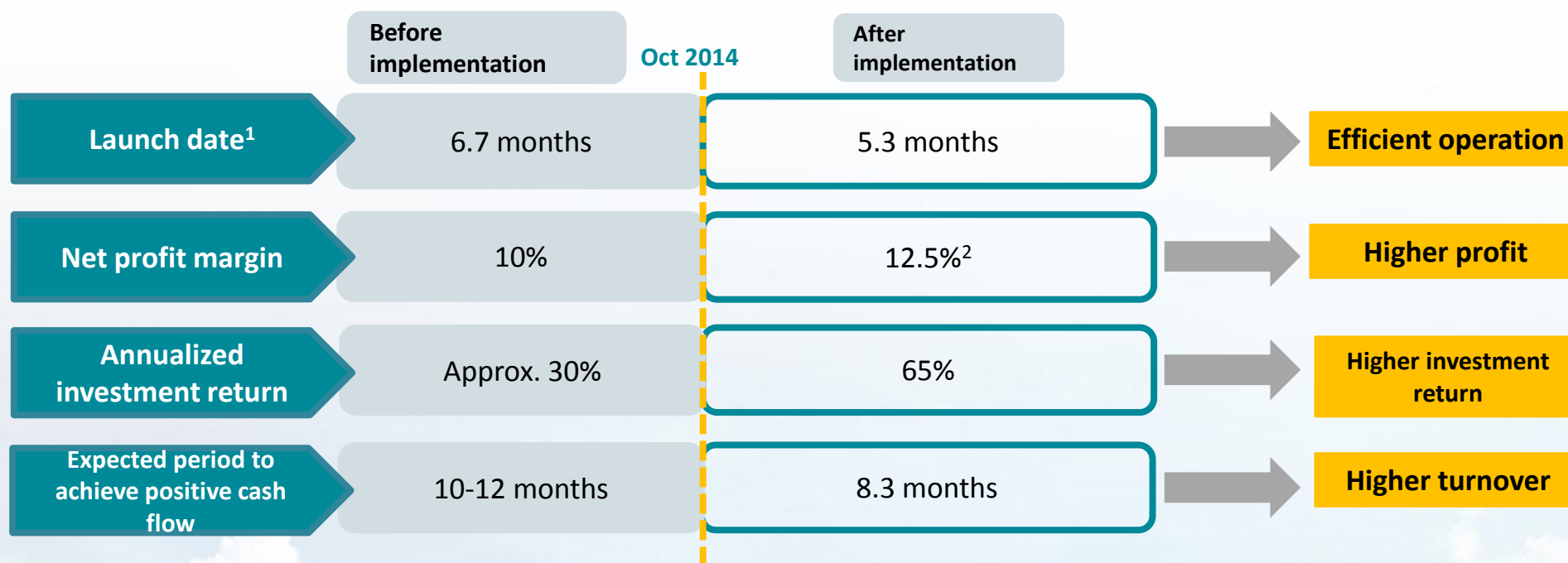
1. *Some business units are still under planning.



Partnership scheme achieved outstanding effects

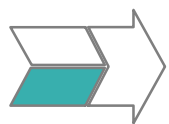
As of end of 30 June 2016

- Introduced the partnership scheme to 319 projects, among which 151 projects are on sale
- Accumulated contracted sales of RMB100.4 billion
- Investment of RMB265 million from the Group level



Note :

1. From acquisition of land to pre-sale of project
2. Expected net profit margin for contracted sales



Investment, acquisition and spin-off: community business with huge potential

■ Community business with huge potential

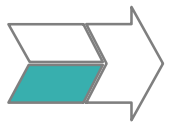
Community Business / Healthcare

- Diversified O2O platform:
 - ✓ Community business APP (for users)
 - ✓ Butler APP (for in-house property management staff to achieve effective operation management)
 - ✓ Community business 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 project has started in mature Country Garden communities in Guangzhou Huanan Country Garden, Country Garden Phoenix City (Zengcheng), etc.

Property Operation

- 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
- Cross-country business with contract management area of about 229 million sqm covering 197 cities in 27 provinces / autonomous regions / municipalities, or about 1,000,000 owners and residents nationwide. Target to expand management area via acquisition of external projects
- Property management business achieved revenue of RMB970 million and operating profit of RMB190 million, up 7.1% and 127.5% YoY, respectively

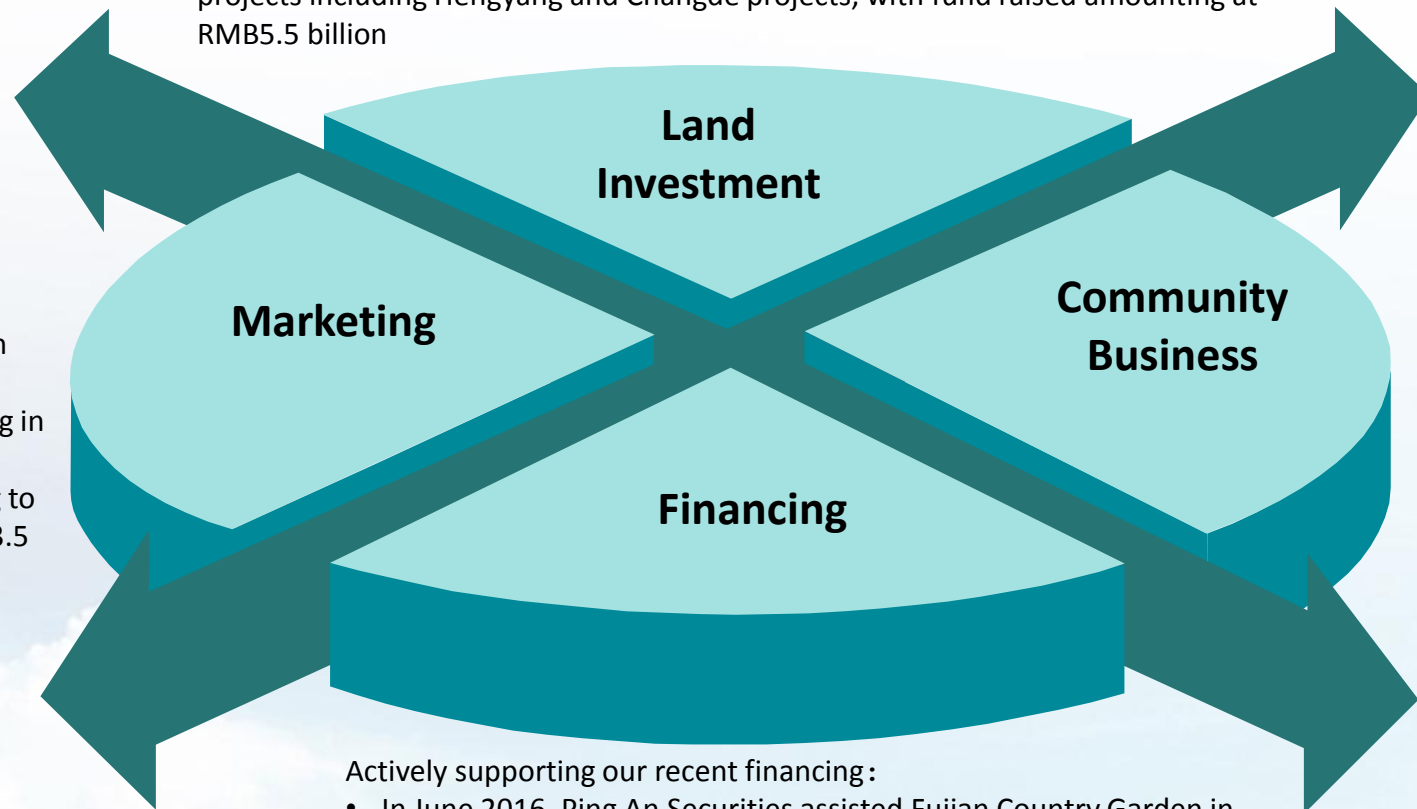
Working on IPO opportunities



Investment, acquisition and spin-off: stable progress partnering with Ping An

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

- In the first half of 2016, cooperating with Ping An Bank, Ping An Trust, Ping An Securities and PingAn-UOB Fund on real estate funds, completed fund raising for 14 projects including Hengyang and Changde projects, with fund raised amounting at RMB5.5 billion



- In 1H2016, 300 projects, including 2 overseas projects, cooperated with Pinganfang, with agents from Ping An participating in business development of projects and contributing to contracted sales of RMB3.5 billion

- New community business to be launched leveraging Country Garden's and Ping An's strengths

Actively supporting our recent financing:

- In June 2016, Ping An Securities assisted Fujian Country Garden in issuing asset-backed securities with RMB1.411 billion accounts receivable on balance of property purchase

Investment, acquisition and spin-off: invest in real estate-related business to enhance the community ecological chain



Introduction

- Established in 2002, engaged in private equity fund management and equity investment business, focused on investment in branded consumer companies, such as Zhou Heiya, Ciming Health Checkup and Dezhou Braised Chicken, etc.

Investment plan

- Country Garden acquired approximately 10% of shares in Tiantu Capital at a consideration of RMB1.188 billion
- Country Garden subscribed the 7th fund managed by Tiantu Capital at RMB125 million

Investment background

- Tiantu Capital's profound experience and expertise in consumer sector helps consolidate Country Garden's value chain of property sector and achieve synergy with the Company's integrated community ecological chain
- Enhance Country Garden's asset management capabilities



- Established in 2004, engaged in developing a one-stop online portal offering business operation solutions for family services sector, operated "Butler Help" APP in more than a hundred cities in PRC providing services from hourly workers and domestic helpers etc.

- Country Garden acquired 20% of shares in Emotte at a consideration of RMB97.56 million

- O2O housekeeping sector is under the spotlight with huge potential for development
- Offer better experience for buyers to enhance Country Garden's integrated community ecological chain



- Established in 2011, a Ping An Group member, one of China's largest Internet investment and financing platform for SMEs and individuals, committed to providing professional, reliable investment and financing services.

- Country Garden subscribed 0.22% of Lufax' shares for a consideration of US\$40 million, becoming the 16th largest shareholder of Lufax

- Another in-depth cooperation between Country Garden and Lufax since the introduction of Ping An as Country Garden's shareholder in 2015
- As of 30 Jun, Country Garden's real estate funds on Lufax have contributed RMB230 million for the project

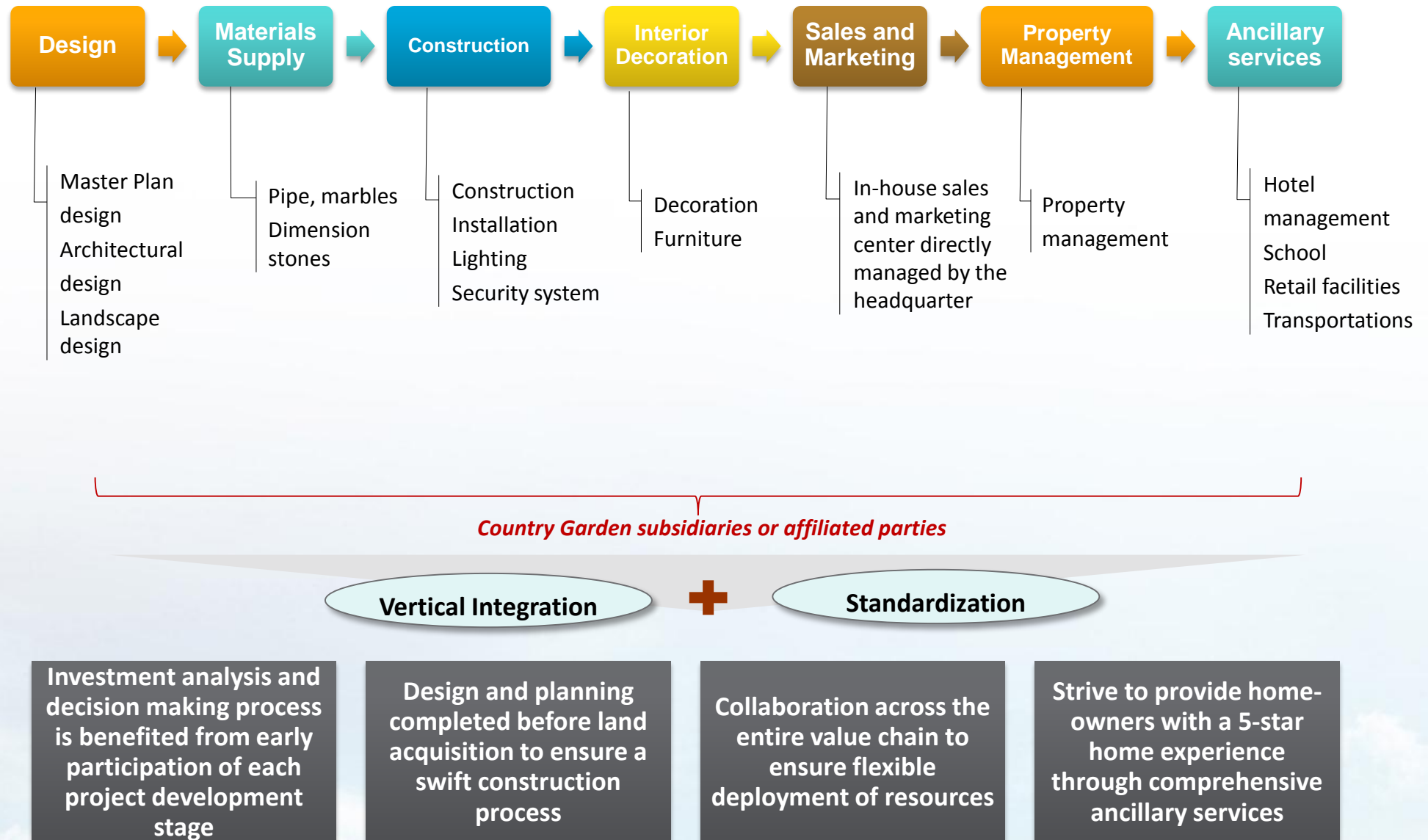
Continue to invest in real estate-related business to enhance the community ecological chain

Thank you for your confidence and support in Country Garden!

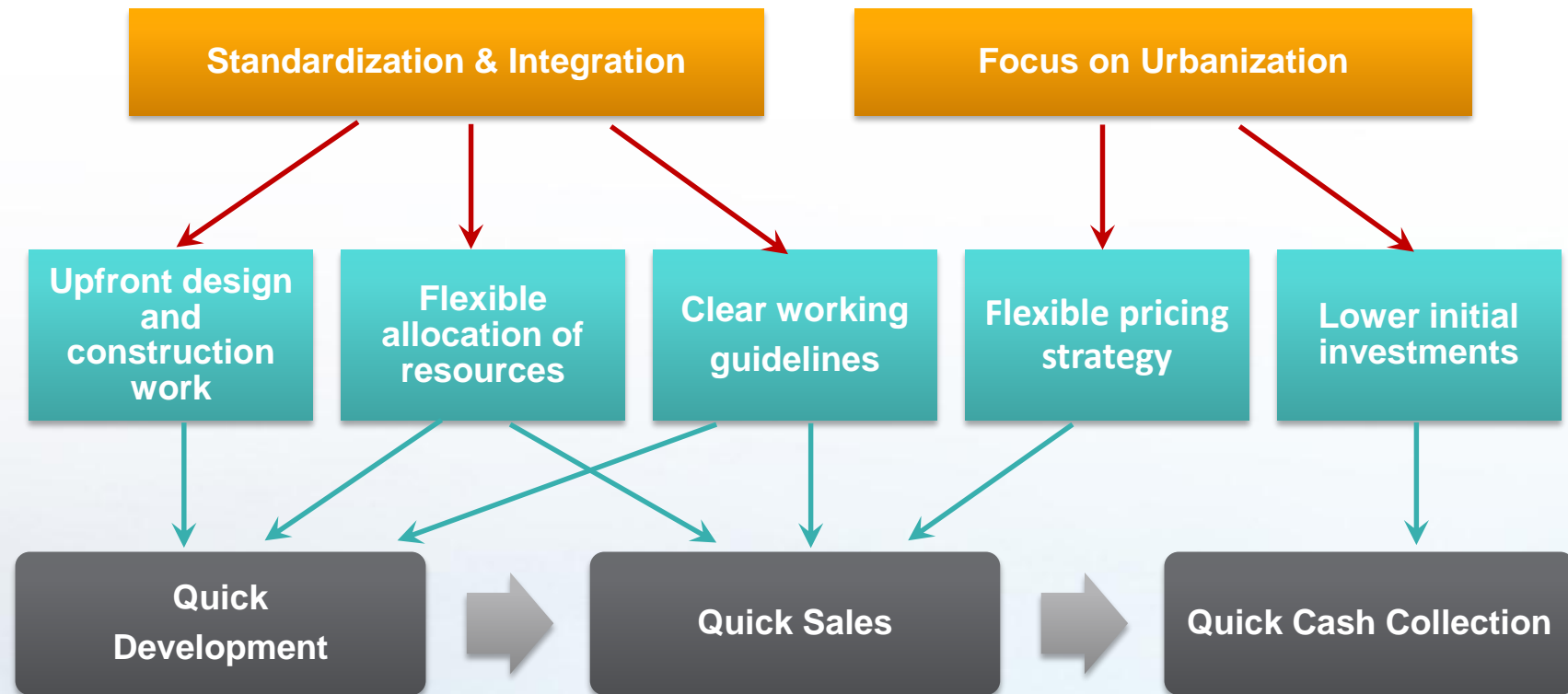
Appendix

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Appendix 1 : Business Model – Integrated and Standardized Value Chain (1/2)



Appendix 1: Business Model – High asset turnover (2/2)



Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities

Development strategies for tier 1&2 cities

- Capturing spillover demand from tier 1&2 cities
- Prudent investment in sites in tier 1 core market
- Continuous consolidation of tier 2 market
- Develop large-scale anchor projects in surrounding area of tier 1&2 cities to support results

Salable Resources in Tier 1 and some Tier 2 cities

- Projects targeting tier 1 cities expected to provide approx. RMB219.7 billion salable resources in 2H2016 and onwards; projects targeting tier 2 cities expected to provide approx. RMB300.4 billion in 2H2016 and onwards
- Salable resources¹ of key cities in 2H2016 and onwards listed below:

Target cities	GFA (m²)	Value of salable resources (RMB mn)
Shenzhen	20,736,427	152,670
Guangzhou	17,879,187	43,330
Shanghai	1,341,396	18,568
Beijing	825,384	5,107
Nanjing	14,542,710	59,468
Zhengzhou	1,920,278	12,072

Note:

1. Salable resources numbers listed in Appendix 2 come from early planning, which are subject to further changes upon project development.

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Shenzhen (1/3)



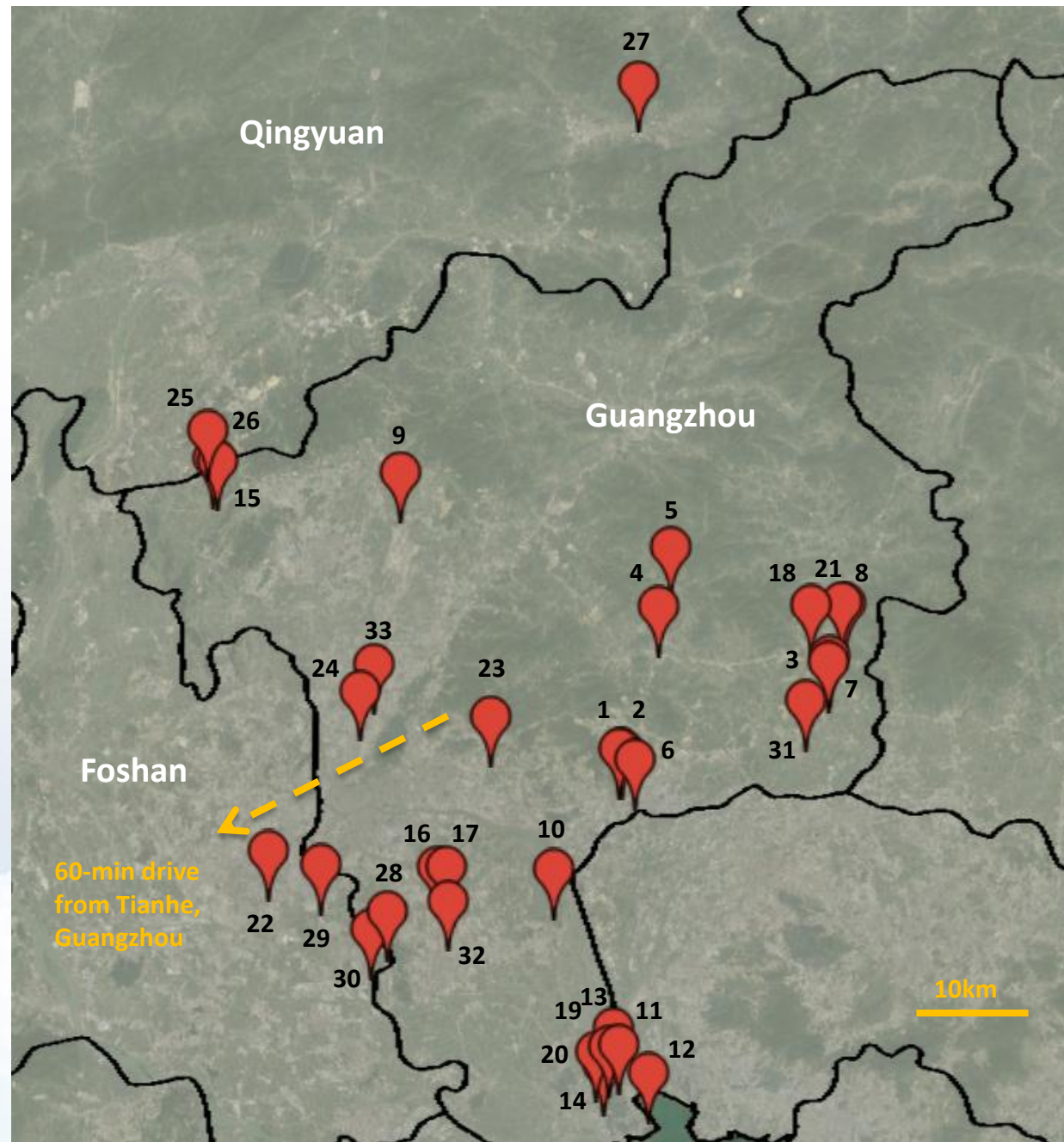
Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Shenzhen (2/3)

No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m²)	GFA (m²)	Salable Resources (mn)
1	Country Garden - Ronghui	Shenzhen (Longgang)	57%	12,128	90,947	2,134
2	TBD	Shenzhen (Longgang)	100%	13,910	92,593	3,620
3	Country Garden Ten Miles Riverside	Dongguan (Machong)	94%	1,491	281,714	2,464
4	Qingxi Country Garden	Dongguan (Qingxi)	100%	2,776	120,627	2,397
5	Songhu Country Garden	Dongguan (Dalingshan)	100%	1,381	359,162	3,250
6	Qingxi Country Garden Phase 2	Dongguan (Qingxi)	100%	3,620	125,978	2,566
7	Huangjiang Country Garden Phase 2	Dongguan (Huangjiang)	90%	468	162,780	182
8	Humen Country Garden	Dongguan (Humen)	94%	3,603	261,910	2,440
9	Chang'an Country Garden	Dongguan (Chang'an)	60%	10,592	29,179	577
10	Country Garden Xinhong Jiayu	Dongguan (Machong)	48%	861	100,275	281
11	Country Garden Jiayu Garden	Dongguan (Machong)	49%	1,760	100,586	736
12	Zhangmutou Country Garden Lan Hill	Dongguan (Zhangmutou)	51%	3,103	66,396	667
13	Country Garden - City One	Dongguan (Dalang)	60%	3,058	456,572	4,333
14	Country Garden - Tianlun	Dongguan (Humen)	63%	1,542	76,523	659
15	Country Garden - Forest Court	Dongguan (Dalingshan)	33%	8,199	251,874	2,424
16	TBD	Shenzhen (Longgang)	51%	4,303	609,064	10,040
17	Houjie Country Garden	Dongguan (Houjie)	100%	2,594	40,028	222
18	Country Garden - Ten Miles Beach	Huizhou (Huidong)	100%	202	5,206,036	10,725
19	Huiyang Country Garden	Huizhou (Huiyang)	90%	230	1,150,871	4,136

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Shenzhen (3/3)

No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
20	Country Garden - Yiquan Hills	Huizhou (Huiyang)	46%	817	85,711	627
21	Country Garden Cuihu Bay	Huizhou (Huiyang)	63%	1,365	287,980	1,913
22	Country Garden Jade Hill	Huizhou (Dayawan)	12%	1,024	751,841	8,270
23	Country Garden Longxi Hill	Huizhou (Dayawan)	85%	1,235	205,735	2,080
24	Country Garden Zhongcui Park	Huizhou (Dayawan)	54%	734	179,945	1,836
25	Country Garden Fortune Harbor	Huizhou (Dayawan)	60%	1,134	2,025,584	14,179
26	TBD	Huizhou (Huiyang)	100%	1,120	3,922,625	37,200
27	TBD	Huizhou (Huiyang)	47%	2,121	1,237,002	9,896
28	Country Garden - Park Palace	Huizhou (Dayawan)	54%	1,327	698,536	5,239
29	Mangrove Bay Project	Huizhou (Dayawan)	54%	1,327	217,516	1,631
30	Country Garden - Park Royal	Dongguan (Guancheng)	100%	3,063	150,178	1,485
31	Country Garden - Jiulong Garden	Dongguan (Changping)	33%	2,000	115,293	875
32	Country Garden Chashan Mansion	Dongguan (Chashan)	56%	1,546	77,615	615
33	Shijie Country Garden	Dongguan (Shijie)	65%	1,133	212,691	1,501
34	TBD	Dongguan (Guancheng)	90%	12,711	46,417	464
35	TBD	Shenzhen (Guangming New District)	100%	14,132	20,167	685
36	TBD	Huizhou (Huiyang)	100%	1,479	532,000	4,522
37	Country Garden Shenhui City	Huizhou (Huiyang)	81%	1,344	386,476	5,797
Total				1,362	20,736,427	152,670

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Guangzhou (1/3)



Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Guangzhou (2/3)

No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
1	Country Garden Phoenix City	Guangzhou (Zengcheng)	100%	282	4,759,468	1,740
2	Country Garden - Phoenix Park	Guangzhou (Zengcheng)	100%	3,255	242,726	314
3	Country Garden - Grand Garden	Guangzhou (Zengcheng)	100%	654	1,113,069	1,122
4	Country Garden - City Garden	Guangzhou (Zengcheng)	100%	4,129	471,977	2,730
5	Country Garden - Zhongxin Mansion	Guangzhou (Zengcheng)	100%	2,109	81,540	60
6	Country Garden - Hao Jin Plaza	Guangzhou (Zengcheng)	51%	3,856	123,454	211
7	Country Garden Grand Count	Guangzhou (Zengcheng)	50%	2,106	345,703	3,391
8	Country Garden Huijing	Guangzhou (Zengcheng)	41%	462	82,180	611
9	Country Garden Airport Plaza	Guangzhou (Huadu)	100%	1,983	114,982	85
10	Shilou Country Garden	Guangzhou (Panyu)	100%	2,563	170,489	28
11	Country Garden Hill Lake Bay	Guangzhou (Nansha)	100%	2,722	518,391	229
12	Country Garden - Nansha Bay One	Guangzhou (Nansha)	95%	6,331	174,537	2,238
13	Country Garden Longxi	Guangzhou (Nansha)	70%	5,567	176,027	3,316
14	Country Garden Cloud Hill	Guangzhou (Nansha)	100%	3,019	30,804	515
15	Holiday Islands - Huadu	Guangzhou (Huadu)	100%	_*	444,912	474
16	Huanan Country Garden - Phases One to Five and Phase Seven	Guangzhou (Panyu)	100%	_*	1,075,099	1
17	Huanan Country Garden - Phase Six	Guangzhou (Panyu)	50%	_*	424,231	-
18	Licheng Country Garden	Guangzhou (Zengcheng)	100%	_*	568,729	22
19	Nansha Country Garden	Guangzhou (Nansha)	100%	_*	515,889	2

Note:

1. *Projects launched earlier without concrete total land cost; excluded in calculation of average land cost.

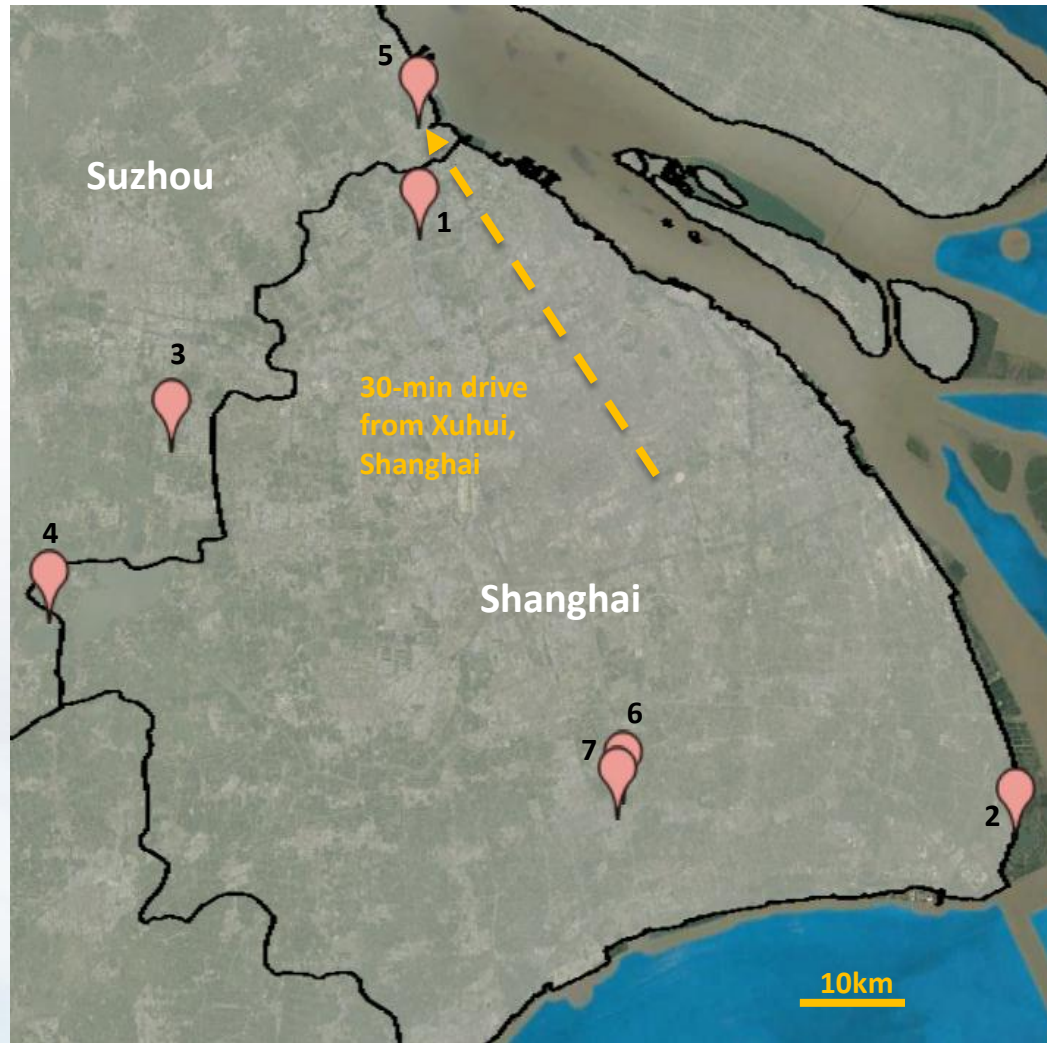
Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Guangzhou (3/3)

No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
20	Country Garden Grand Palace	Guangzhou (Nansha)	100%	1,436	167,152	17
21	Country Garden - Lychee Park	Guangzhou (Zengcheng)	100%	781	87,059	6
22	Poly Country Garden Tianhui Garden	Foshan (Chancheng)	50%	3,751	522,237	5,118
23	Tianhe Star Delicacy	Guangzhou (Tianhe)	60%	5,149	121,193	2,400
24	TBD	Guangzhou (Baiyun)	17%	8,780	291,462	6,400
25	Holiday Islands - Qingyuan	Qingyuan (Qingcheng)	100%	-*	435,667	3
26	Country Garden Holiday Islands - Twinkle Star Bay	Qingyuan (Qingcheng)	34%	921	58,660	308
27	Country Garden Spring City	Qingyuan (Fogang)	100%	189	697,183	2,851
28	Country Garden Guilin Hill Garden	Foshan (Shunde)	100%	1,586	199,880	1,355
29	Country Garden - Impression Garden	Foshan (Shunde)	46%	1,784	252,785	1,379
30	Shunde Country Garden	Foshan (Shunde)	100%	-*	3,213,136	1,385
31	TBD	Guangzhou (Baiyun)	43%	1,282	209,940	2,729
32	TBD	Guangzhou (Baiyun)	51%	855	173,014	1,820
33	TBD	Guangzhou (Baiyun)	100%	11,188	15,612	470
Total				977	17,879,187	43,330

Note:

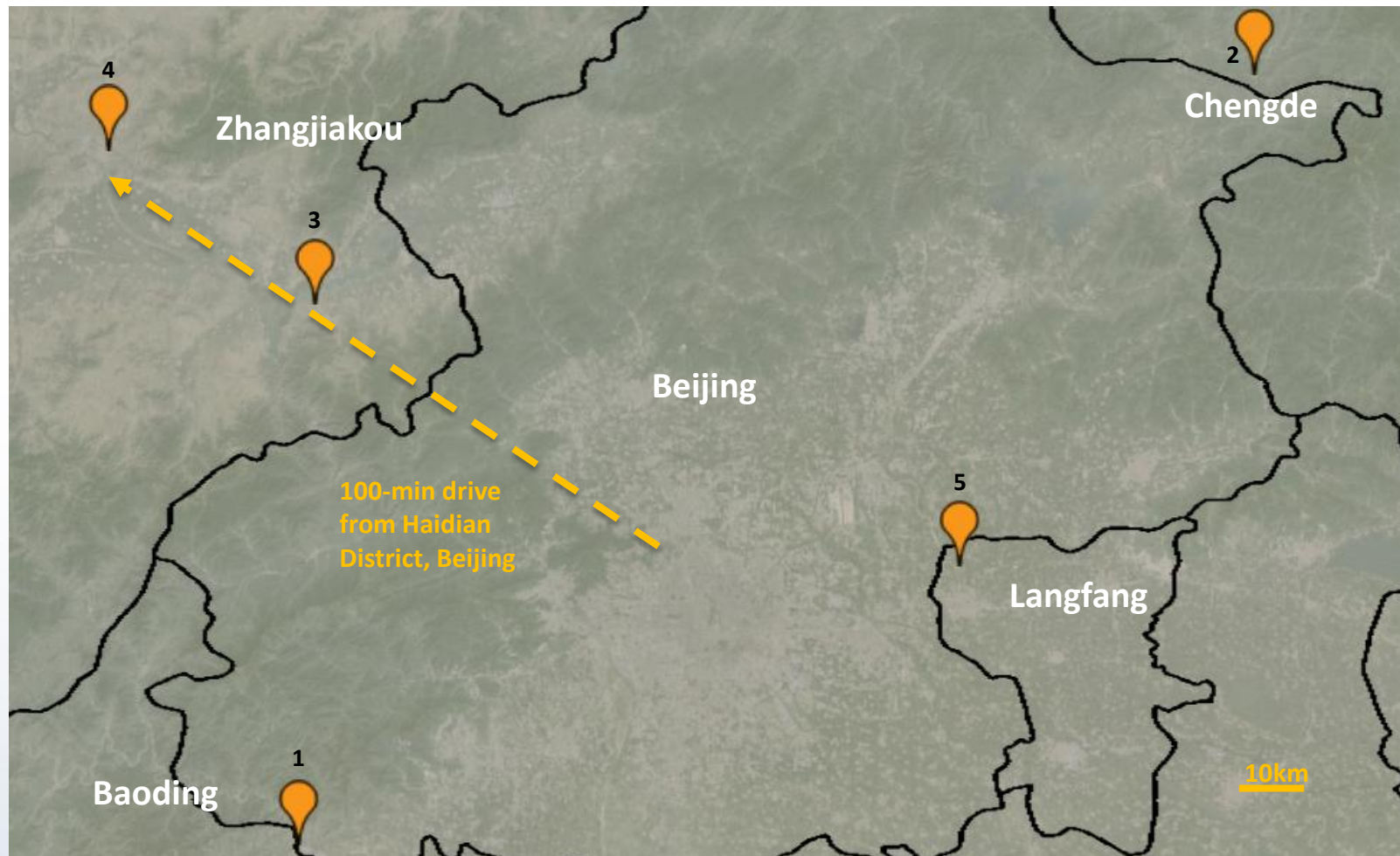
- *Projects launched earlier without concrete total land cost; excluded in calculation of average land cost.

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Shanghai



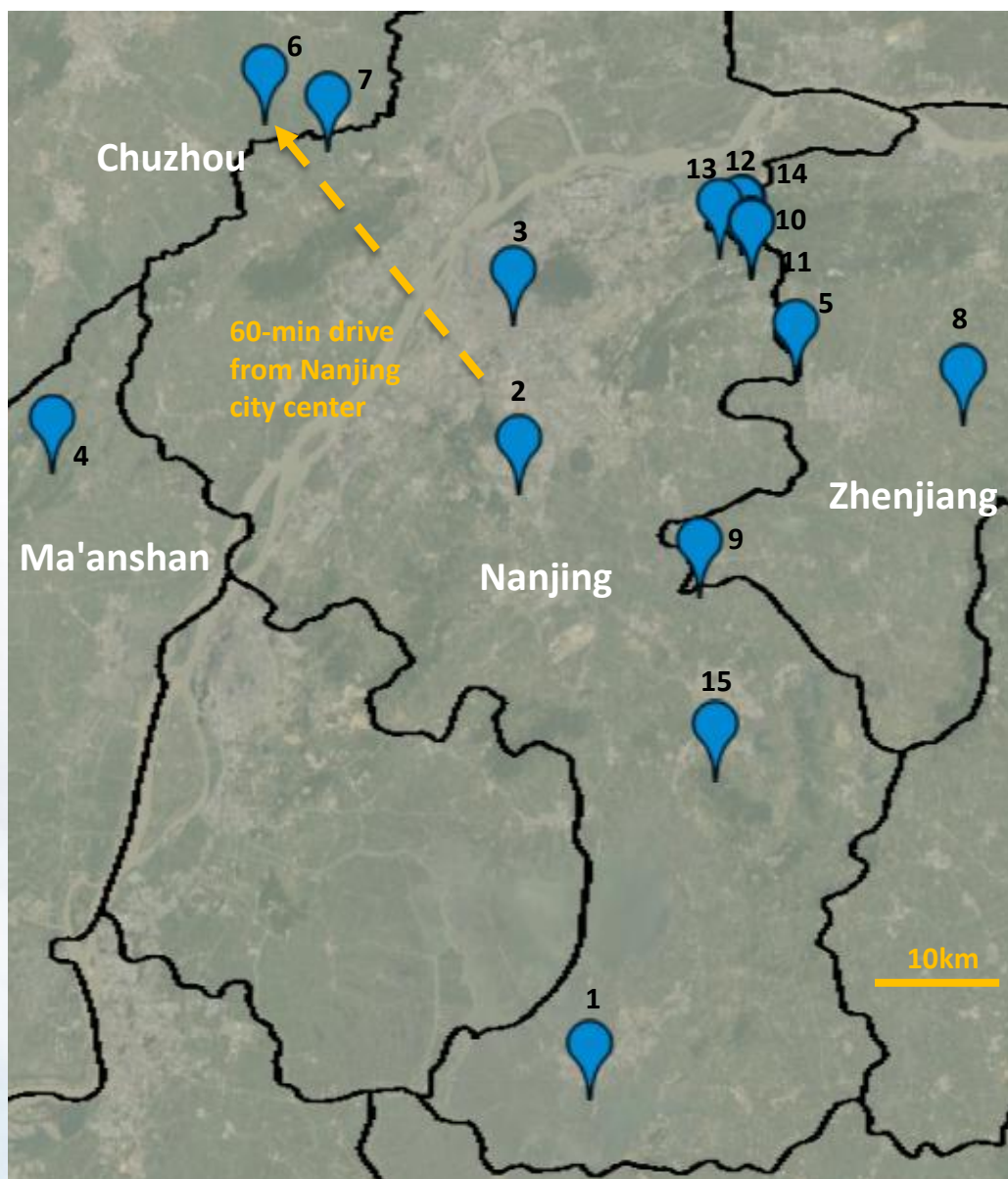
No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
1	Country Garden - Jiayu	Shanghai (Jiading)	100%	8,046	75,638	1,427
2	TBD	Shanghai (Pudong)	60%	5,672	161,152	2,656
3	Country Garden - Century City	Suzhou (Kunshan)	90%	1,398	329,140	2,954
4	Country Garden - Shi-li-jiang-nan	Suzhou (Wujiang)	40%	1,204	193,592	3,872
5	Country Garden - Shanghai Phoenix City	Suzhou (Taicang)	43%	1,736	359,531	1,594
6	TBD	Shanghai (Fengxian)	60%	6,491	64,093	907
7	TBD	Shanghai (Fengxian)	60%	14,597	158,250	5,158
Total				4,149	1,341,396	18,568

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Beijing



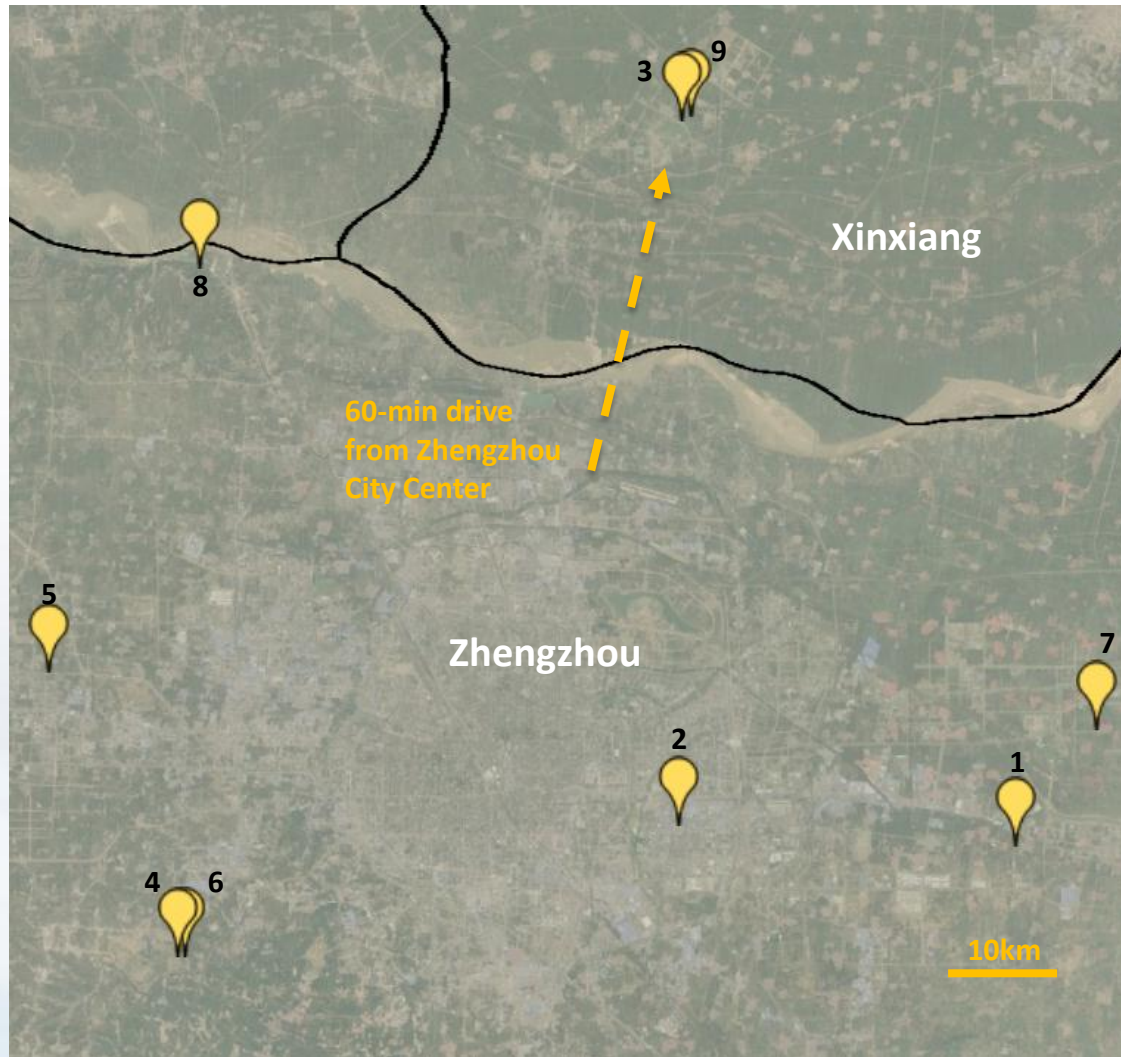
No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
1	Country Garden - Kowloon Bay	Baoding (Laishui)	55%	243	227,046	246
2	Country Garden-Jingshanling Greatwall Valley	Chengde (Luangping)	45%	730	136,949	970
3	Country Garden - Guanting Lake One	Zhangjiakou (Huailai)	47%	1,050	172,343	727
4	Country Garden - Beijing County	Zhangjiakou (Xiahuayuanqu)	38%	1,748	44,047	492
5	Country Garden - Times City	Langfang (Sanhe)	53%	2,959	244,999	2,672
Total				1,379	825,384	5,107

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Nanjing



No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
1	Gaochun Country Garden	Nanjing (Gaochun)	100%	1,228	484,983	1,062
2	Country Garden - Fairyland	Nanjing (Jiangning)	85%	3,262	180,844	3,431
3	Nanjing Country Garden	Nanjing (Jiangning)	85%	2,211	462,367	3,401
4	Country Garden - Hill Lake City	Ma'Anshan (Hexian)	100%	355	1,100,108	3,886
5	Country Garden - Phoenix City	Zhenjiang (Jurong)	100%	445	7,183,478	28,648
6	Country Garden - Europe City	Chuzhou (Nanqiao)	100%	472	1,880,458	4,941
7	Country Garden - City Garden	Chuzhou (Laian)	100%	540	1,542,807	483
8	Jurong Industrial Park	Zhenjiang (Jurong)	100%	281	220,505	1,527
9	Country Garden - Century City	Zhenjiang (Jurong)	90%	1,051	191,331	356
10	Country Garden - Xian-lin-dong-jun	Zhenjiang (Jurong)	41%	1,170	243,617	1,043
11	Country Garden Daxue Yinxiang	Zhenjiang (Jurong)	75%	1,357	405,603	4,237
12	Country Garden Xianlinyunshu	Zhenjiang (Jurong)	45%	3,984	53,219	807
13	Country Garden Jade Mansion	Zhenjiang (Jurong)	85%	1,320	399,147	3,953
14	Country Garden Mount Earl	Zhenjiang (Jurong)	100%	1,316	74,530	649
15	Country Garden Feicuitai	Nanjing (Lishui)	100%	2,477	119,713	1,045
Total				670	14,542,710	59,468

Appendix 2: Salable Resources in Tier 1 and some Tier 2 cities : Targeting Zhengzhou



No.	Project Name	City (County)	Equity	Average Land Price (Yuan/m ²)	GFA (m ²)	Salable Resources (mn)
1	Country Garden Jade Bay	Zhengzhou (Jingkaiqu)	50%	951	164,637	1,746
2	Country Garden - The Cullinan	Zhengzhou (Jingkaiqu)	51%	5,361	70,886	957
3	Country Garden - Phoenix Bay	Xinxiang (Pingyuan)	92%	777	333,399	1,043
4	Zhengzhou Country Garden	Zhengzhou (Xingyang)	51%	916	245,257	35
5	Country Garden - Dragon City	Zhengzhou (Xingyang)	33%	1,344	225,594	1,629
6	Zhengzhou Country Garden Phase Two	Zhengzhou (Xingyang)	51%	1,319	255,346	1,955
7	Zhengdong Country Garden	Zhengzhou (Zhongmou)	60%	1,772	122,308	1,010
8	Country Garden Wanshan Lake One	Zhengzhou (Xingyang)	41%	940	411,283	3,333
9	Country Garden - Phoenix Bay - Phase Two	Xinxiang (Pingyuan)	70%	526	91,568	364
Total				1,204	1,920,278	12,072

Appendix 3: Cash Flow Statement

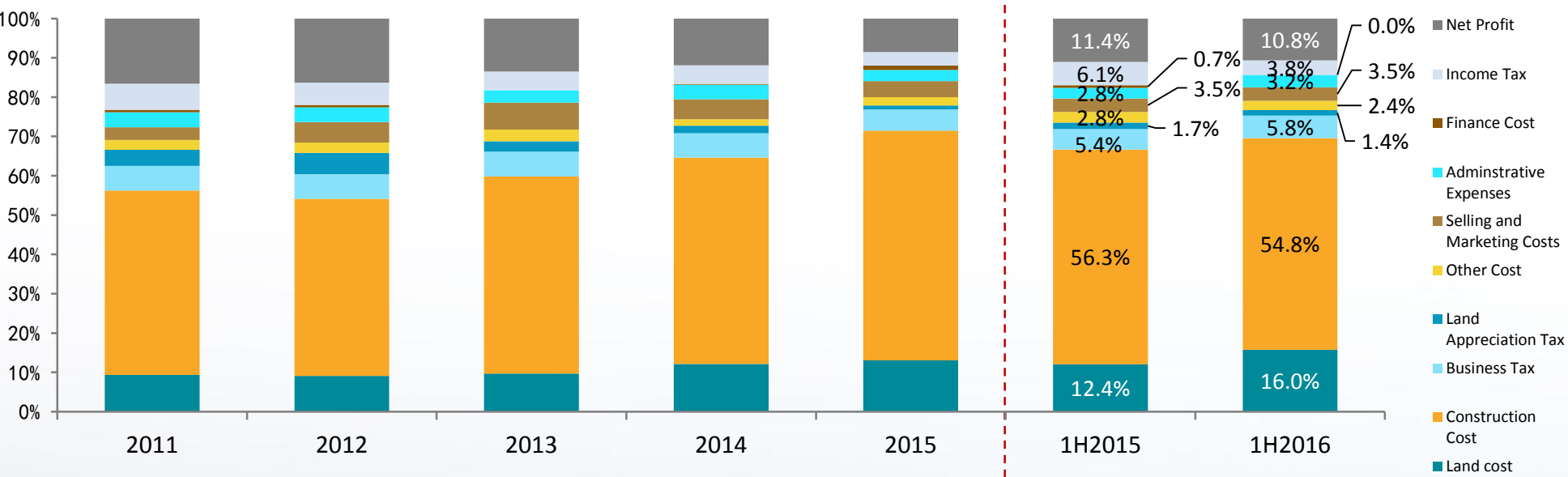
Cash Flow Statement (RMB bn)		
1. Cash flows from operating activities ¹	1H2015	1H2016
Property sales	49.60	105.1
Cash inflow from other segments and other operations	1.60	1.78
Construction payments	-32.06	-41.63
Land acquisition	-7.73	-39.79
Interest paid	-2.39	-2.89
Salary payments, welfare and others	-6.90	-12.09
Taxes	-7.88	-9.00
Cash flows used in operating activities – net	-5.76	1.48
2. Cash flows from investing activities (mainly for acquisition of subsidiaries, joint ventures and associates)	-1.86	-5.04
3. Cash flows from financing activities		
Equity financing	4.95	-
Net proceeds from bank borrowings	3.18	7.52
Net proceeds from perpetual capital securities	-	-2.93
Shares buy-back	-	-0.81
Others	-0.44	1.2
Cash flows from financing activities – net	7.69	4.98
4. Exchange losses on cash and cash equivalents	-0.06	0.09
5. Net increase in available cash	0.01	1.51
Add: Available cash at the beginning of the year	27.21	47.88
6. Available cash at the end of the year	27.22	49.39

Note:

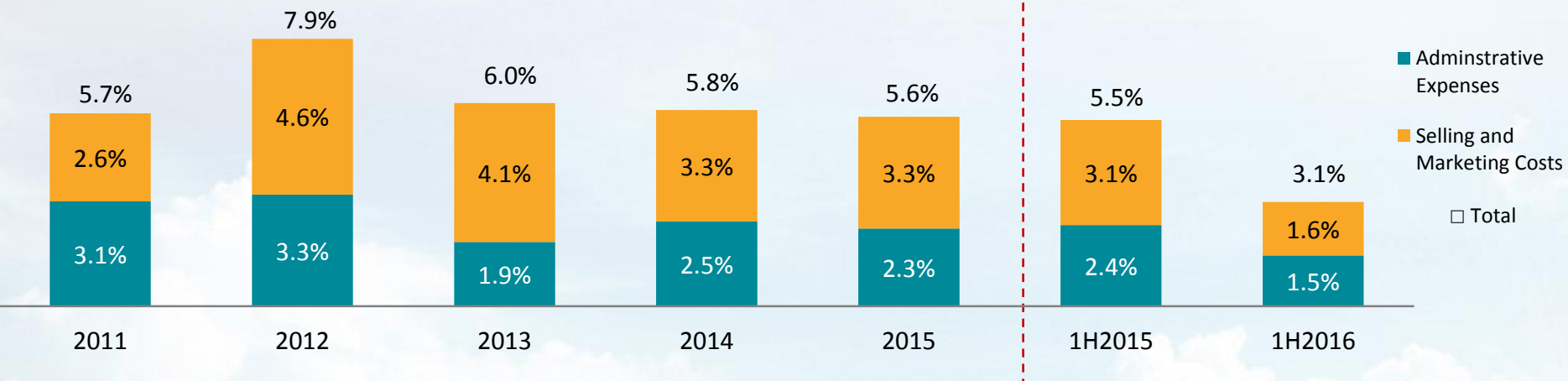
1. Including guarantee deposits for construction of per-sale properties and the receipts under securitization arrangement

Appendix 4: Financial Overview – Costs

Costs and net profit (as % of revenue)



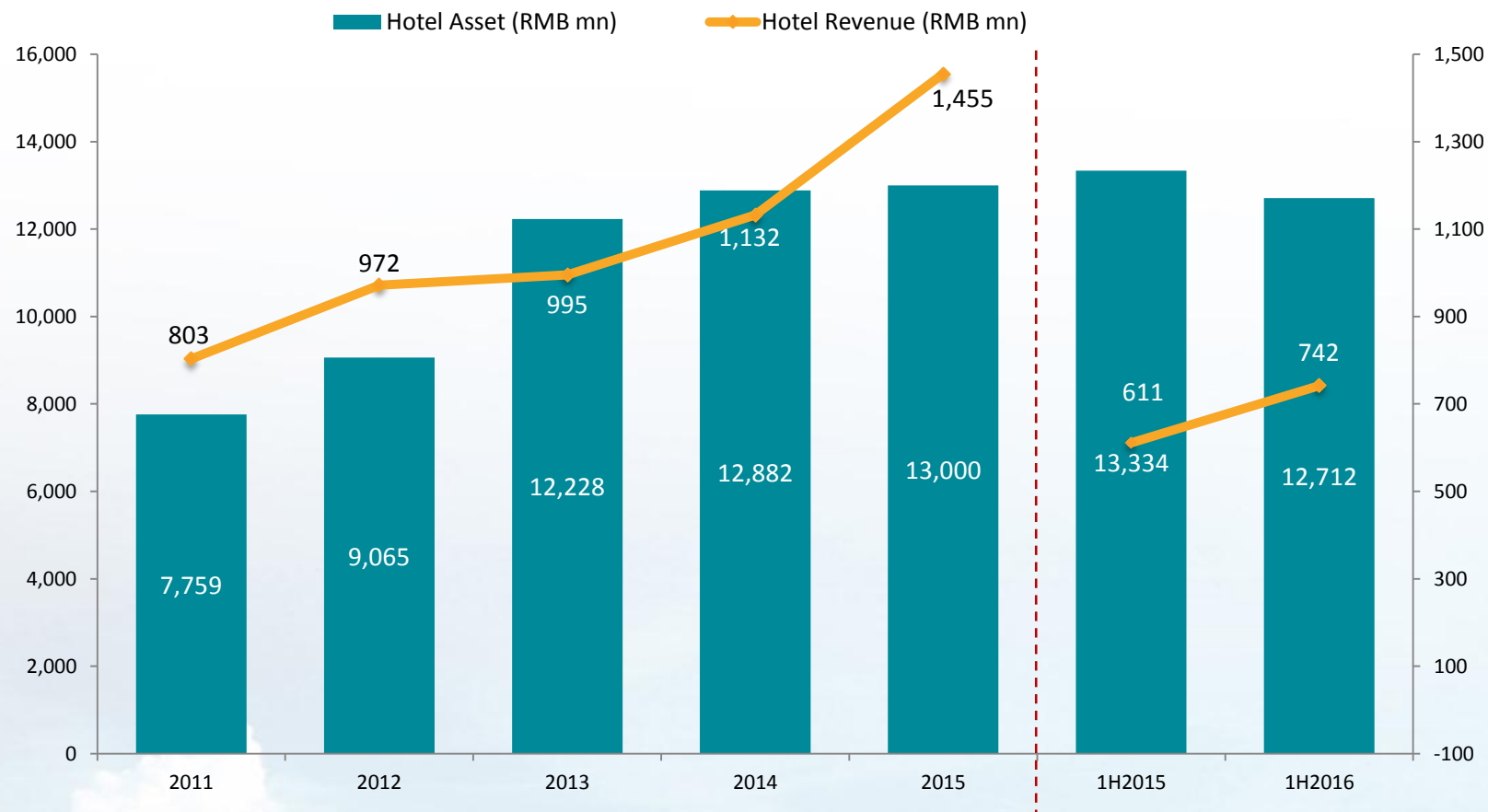
SG&A (as % of contracted sales)



Appendix 5: Business Overview – Hotels

As of 30 June 2016, the Group owned 59 Hotels, among which 51 are in operation (45 five-star or five-star standard¹ and 6 four-star or four-star standard¹), with a total of 13,819 guest rooms, and another 8 hotels under construction

Hotel Asset and Revenue



Note:

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

Appendix 5: Business Overview – Investment properties

- Breakdown of investment properties: 93 communal projects in 15 provinces, 6 large commercial complex projects in Jurong Jiangsu, Shenyang Liaoning, Yunfu Guangdong, Chizhou Anhui, Foshan Guangdong and 1 apartment project in Zhaoqing Guangdong.
- In 1H2016, the Group recorded approximately RMB270 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 2016, the Group's investment property covers a GFA of 1.149 million sq.m. with a fair value of RMB9.64 billion, of which the leased GFA of 718 thousand sq.m. carries a fair value of RMB2.69 billion. Investment property rental income amounted to approximately RMB 52.77 million.

Type	Rented			Completed projects (to be rented out)		Under construction		Total	
	GFA (sq.m.)	Fair value (RMB'000)	FY2015 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	438,317	4,261,799	45,152	260,411	1,967,966	42,177	346,336	740,905	6,576,101
Apartments	58,136	209,000	2,493	-	-	-	-	58,136	209,000
Large commercial complex	221,552	1,597,106	5,126	99,332	923,738	28,985	332,900	349,869	2,853,744
Total	718,005	6,067,905	52,771	359,743	2,891,704	71,162	679,236	1,148,910	9,638,845

Appendix 5:Community services – education business in scale (non-listed)

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

- As of 30 June 2016, there are 51 schools – 4 of them are of the 1st tier of the province – and 3 charity schools, with 26,197 students and 2,955 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.

Appendix 6: Top 10 projects with the highest contract sales in 1H2016

Project Name (Location)	Contracted Sales (RMB bn)	Contracted GFA (thousand sq.m.)
Country Garden · Ten Miles Beach (Guangdong – Huizhou Huidong)	5.87	750
Country Garden · Coral Palace (Hainan – Lingshui Yingzhou)	3.91	247
Songhu Country Garden (Guangdong – Dongguan Dalingshan)	3.31	181
Nanjing Country Garden (Jiangsu – Nanjing Jiangning)	2.86	230
Country Garden · Phoenix City (Jiangsu – Zhenjiang Jurong)	2.28	370
Country Garden · Eco City Left Bank (Hubei – Wuhan Hongshan)	1.95	240
Country Garden · Phoenix City (Guangdong – Guangzhou Zengcheng)	1.86	127
Country Garden · Shanghai Phoenix City (Jiangsu – Suzhou Taicang)	1.81	186
Lanzhou Country Garden (Gansu – Lanzhou Chengguan)	1.65	201
Country Garden · Impression Garden (Guangdong – Foshan Shunde)	1.22	104

Appendix 7: Top 10 projects by recognized revenue in 1H2016

Project Name (Location)	Recognized Revenue (RMB bn)	Recognized Area ¹ (thousand sq.m.)
Country Garden · Coral Palace (Hainan – Lingshui Yingzhou)	2.71	166
Sanming Country Garden (Fujian – Sanming Meilie)	2.61	386
Lu'an Country Garden (Anhui – Lu'an Yu'an)	2.53	496
Country Garden · Ten Miles Beach (Guangdong – Huizhou Huidong)	1.92	273
Country Garden · Grand Palace (Guangdong – Dongguan Dongkeng)	1.78	278
Huangjiang Country Garden (Guangdong – Dongguan Huangjiang)	1.60	198
Country Garden · Jade Bay (Anhui – Wuhu Wuwei)	1.35	236
Nanchong Country Garden (Sichuan – Nanchong Jialing)	1.30	272
Daliang Country Garden (Guangdong – Foshan Shunde)	1.14	68
Shanwei Country Garden (Guangdong – Shanwei City)	1.12	169

Note:

1. Including underground area