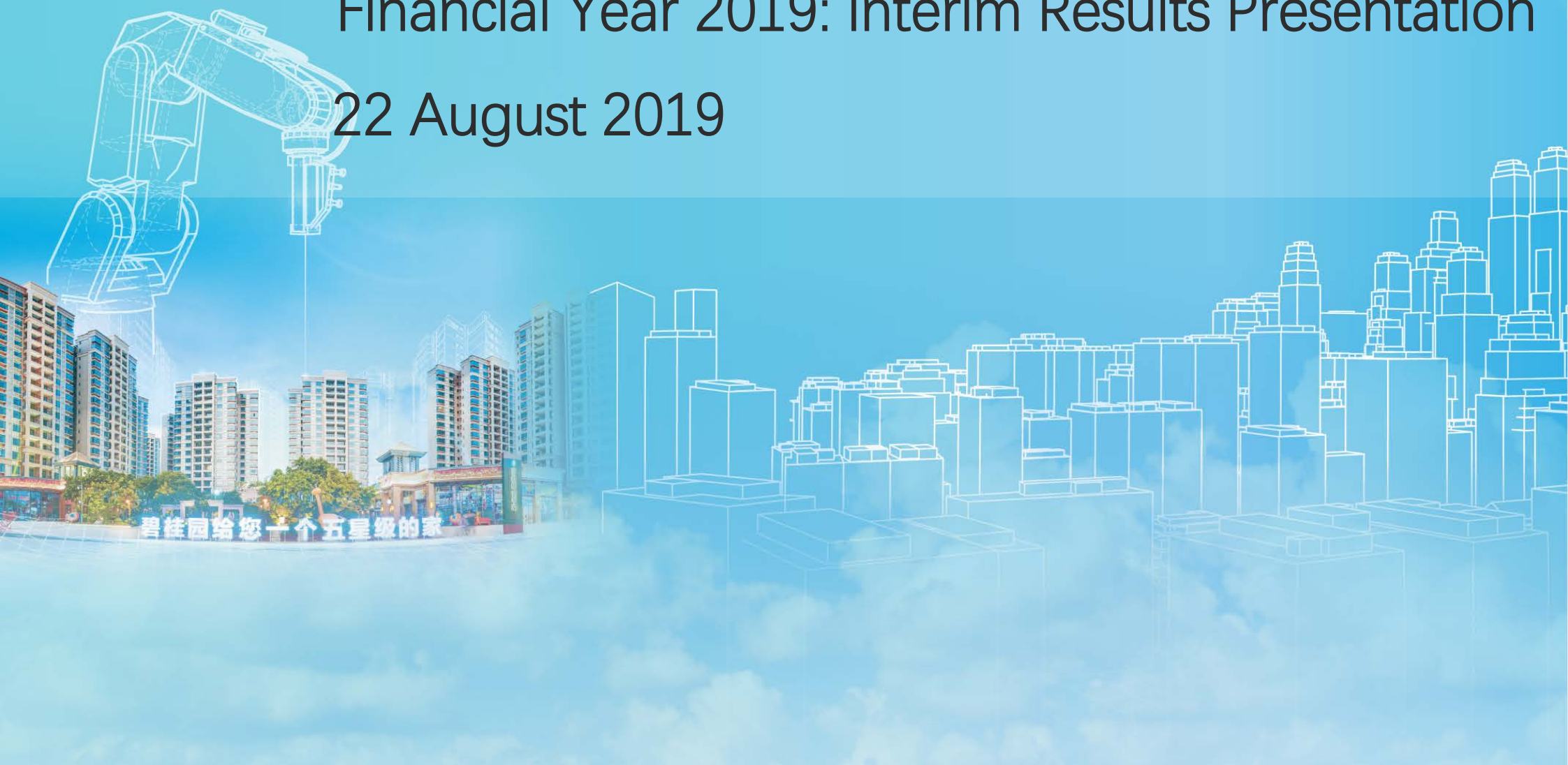


# Financial Year 2019: Interim Results Presentation

22 August 2019



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# sales outperforming peers

attributable contracted sales amounted to RMB281.95 billion  
with an attributable GFA of 31.29 million sq.m.

# significant growth in revenue

the Group's revenue amounted to RMB202.01 billion  
representing a YoY growth of 53.2%

# sufficient cash balance

cash balance amounted to RMB222.84 billion  
representing 12.8% of total asset

the Group's unused credit lines totaled RMB313.30 billion

# gross profit growth

gross profit amounted to RMB54.86 billion, up by 56.9% YoY  
gross profit margin up by 0.7 percentage points YoY to 27.2%

# net profit growth

net profit amounted to RMB23.06 billion, up by 41.3% YoY

Core net profit attributable to owners of the Company amounted to RMB15.98 billion, up by 23.4% YoY

net profit margin reached 11.4%



# financial stability enhanced

net gearing ratio reached 58.5%, dropped 0.5 p.p. YoY

total debt to EBITDA<sup>1</sup> down to 3.5x from 4.7x

EBITDA<sup>1</sup> to interest coverage ratio reached 4.4x, up 0.4x YoY

Note:

1. EBITDA is annualized profit before income tax adjusted by interest expenditure, depreciation, amortization and other non-operating profit and loss items

# steady performance in sell-through and cash collection

attributable sell-through rate reached 65.0%

cash collected from attributable sales of properties amounted to  
RMB265.94 billion with cash collection ratio of 94.3%



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# nationwide coverage

projects spanning across all provinces in Mainland China

As at 30 June 2019, the number of projects acquired in Mainland China by the Group amounted to 2,381, spanning across 279 cities in 31 provinces/autonomous regions/municipalities and covering a total of 1,235 districts / counties.



Note:

1. There are 20 projects outside Mainland China

# safety and quality improvement with speed control

Keeps attaching great attention to engineering safety  
and construction quality

# Construction safety is our long-term goal

- ① **Clear responsibilities:** Identify safety responsibilities at all levels of the company
- ② **Intensified training:** compulsory site safety training for workers
- ③ **Management in place:** evaluate safety management effectiveness of contractors and third-party supervisors
- ④ **Raising awareness:** established July 26 as “Country Garden’s Production Safety Day”, with regular safety events to be carried out to enhance employees’ safety awareness



- ① **Risk factors examination:** establish a comprehensive safety inspection system
  - Daily inspection by security officers of general contractor and supervisory agency
  - Weekly onsite inspection by project general manager
  - Monthly inspection by cooperation partners
  - Monthly inspection at regional level
  - Group’s quarterly third-party inspection
  - Special inspection on Group’s safety and quality compliance
  - Monthly special safety inspection (base pit, large-scale machinery, fire prevention, winter break, high slope, high retaining wall, closed management, id-verification)
- ② **Critical risk points assessment and control:** suspend any part involving risks of major safety hazards

## Management focus (accomplished)

- |                         |                            |                                   |                             |
|-------------------------|----------------------------|-----------------------------------|-----------------------------|
| ① Base pit              | ② Fire prevention          | ③ Safety education and training   | ④ Work at heights           |
| ⑤ Large-scale machinery | ⑥ Formwork and scaffolding | ⑦ Behavior management of partners | ⑧ Temporary electricity use |

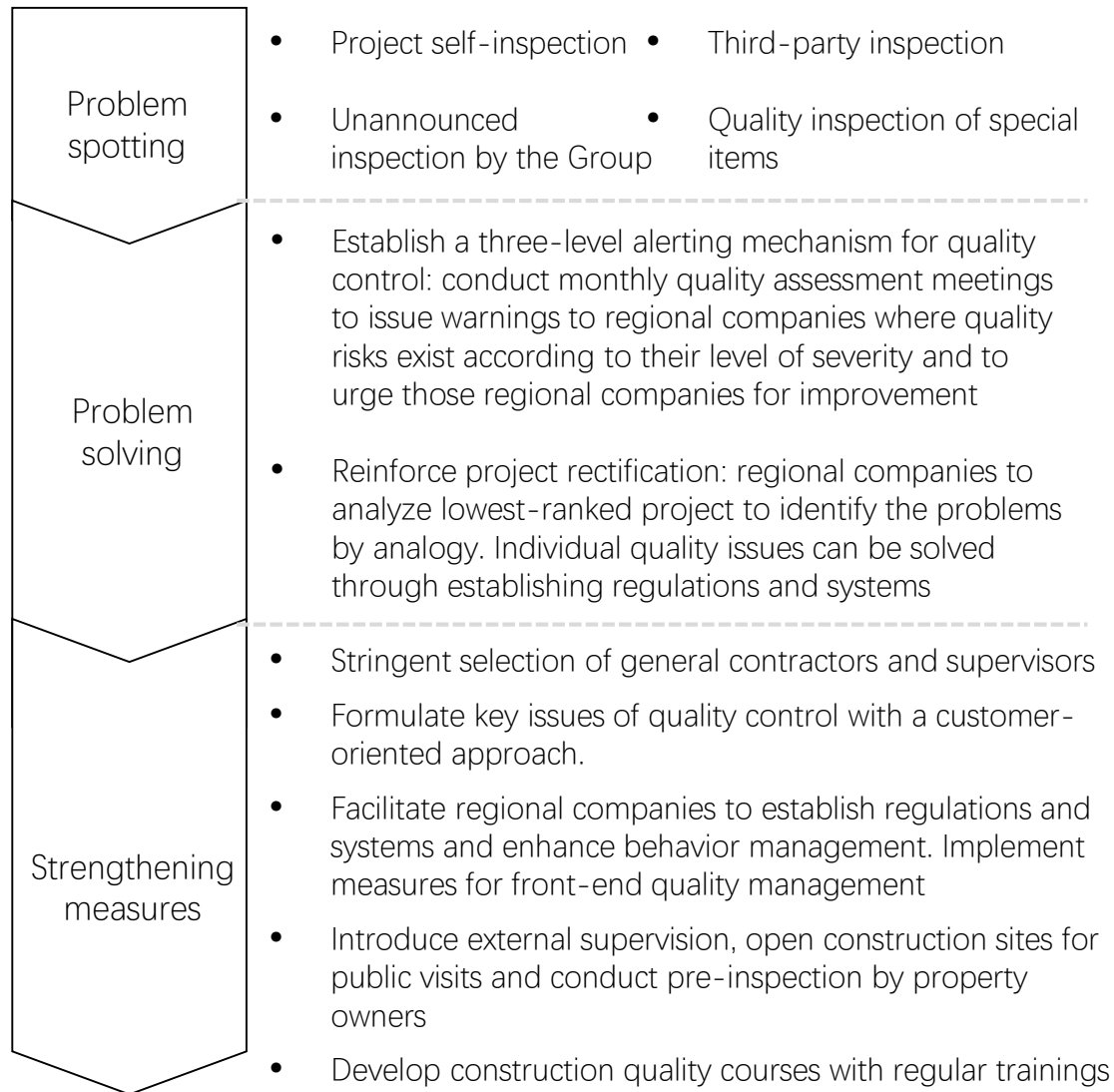
# Control and further enhance construction quality



## Strengthening of control measures



## Construction technology upgrade



Improvement from the source



### Develop Intelligent Construction System

- Combine current construction technology with intelligent manufacturing and robotic technology to improve construction safety and quality

### Unify Engineering Technical Standards

- The Group has formulated bottom line on engineering technical standards complying with law and regulations. Based on the Group's protocol, regional companies have established their own technical standards in accordance with regional characteristics.



# effective human resources management

over 1,000 holders of doctorates

more than 320 of them were promoted to project general  
manager level or above

# poverty alleviation

working for the common good

22-year dedication to poverty alleviation

# Adhere to poverty alleviation and contribute to society

## Precise Poverty Alleviation

## Poverty Alleviation

## Charity Education

### 1. Through entrepreneurship investment

- Promoted industrial projects to settle in underprivileged area; supported entrepreneurs in rural area.
- Aggregated sales of poverty alleviation products amounted to approx. RMB50 million, helped more than 30,000 people in poverty to increase income.
- Developed tourism industry. First 5 tourist routes established with approx. 3,000 participants.

### 2. Through job creating

- Provided vocational skills training for approx. 58,400 members of rural labor force, of which 25,000 achieved recommended employment by end of June 2019.

### 3. Through healthcare and education services

- Established a number of healthcare and poverty alleviation funds; donated RMB100 million to support the national "Poverty Alleviation Action - Cataract Rehabilitation" project.
- Set up a charity fund to help students in poverty to complete their studies.

Covering about 336 thousand people in 14 counties in 9 provinces

### 1. Charity Schools

- GuoHua Memorial Middle School: The only charity high school in China providing free education and boarding for students, with key university admission rate of 98%, 616 graduates with master degree and 97 with doctoral degree.
- Guangdong Country Garden Polytechnic: The first charity vocational college in the country with an aggregated 1,887 students and employment rate of 100%.

### 2. Education Foundations

- 27 tuition aids have been established, covering 39 tertiary institutions with total donation of RMB2.1 billion.

### 3. Training for teachers at rural schools

- Conducted training for teachers at rural schools leveraging self-owned educational resources such as GuoHua Memorial Middle School

### 4. Improvement of rural schooling

- Including donation of school construction funds and improvement of school facilities, etc.

Providing educational resources for students in need

The Group and the founder's family donated a total of RMB5.5 billion for public welfare and charity, of which RMB0.6 billion was made in 1H2019 by the Group



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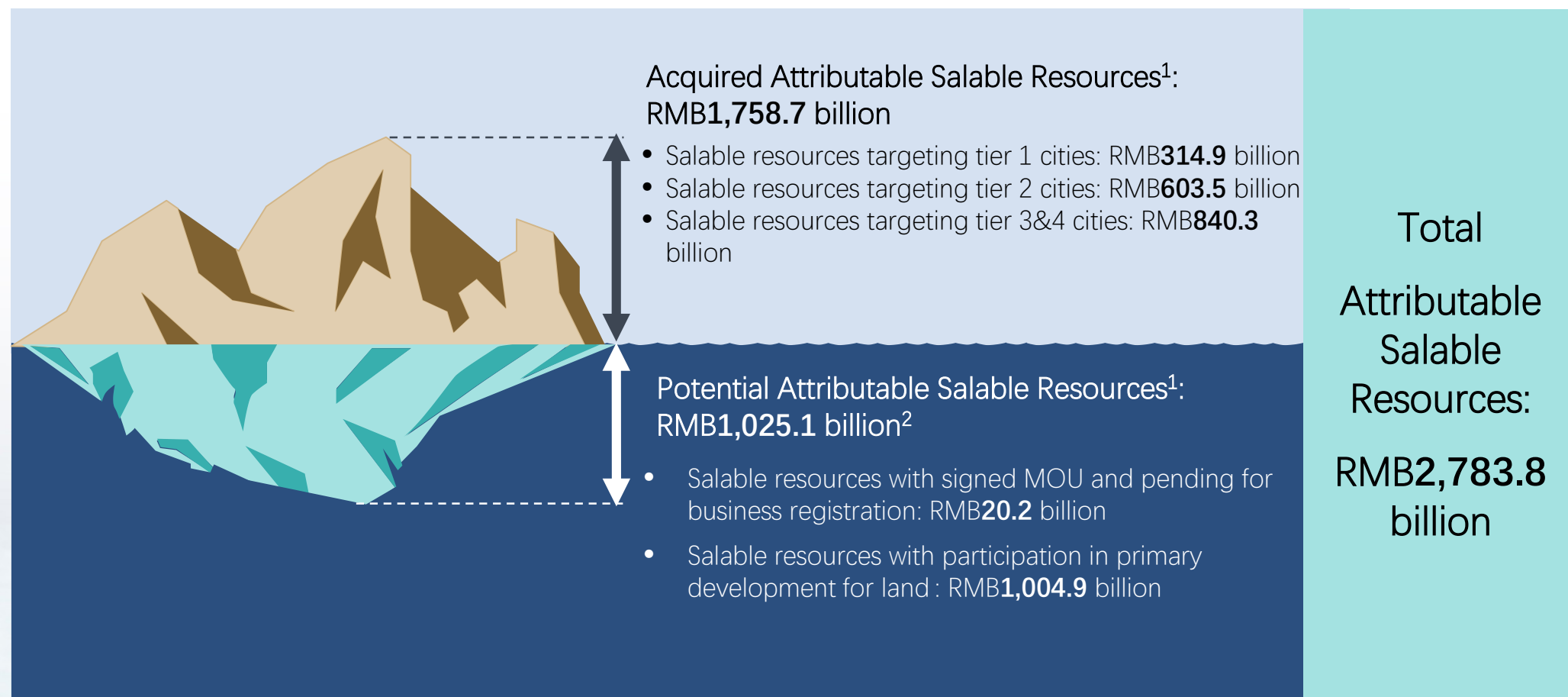
Strategic Outlook

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# sufficient land bank

support the Group's steady performance

# Sufficient salable resources in Mainland China to provide strong support for future development



## Notes:

1. As at 30 June 2019; attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio
2. Estimated potential attributable salable resources targeting Shenzhen, Dongguan, Huizhou, Guangzhou, Foshan, Shanghai, Beijing and Zhengzhou are RMB680 billion, while estimated attributable salable resources of potential projects in other regions (Guiyang, Taiyuan, Xi'an, Lanzhou, Kunming, Xuzhou, etc.) are RMB345.1 billion

# Guangdong-Hong Kong-Macao Greater Bay Area

Existing attributable salable resources  
amounted to RMB346.7 billion

Potential attributable salable resources  
amounted to RMB551.9 billion

**Existing** attributable salable resources **in Shenzhen** amounted to RMB22.5 bn,  
while **potential** attributable salable resources amounted to RMB196.1 bn

**Existing** attributable salable resources **targeting Shenzhen** amounted to RMB115.5 bn,  
while **potential** attributable salable resources amounted to RMB414.4 bn

# Sufficient salable resources in Greater Bay Area to lead peers

Country Garden's attributable salable resources located in Guangdong-Hong Kong-Macao Greater Bay Area amounted to RMB346.7 billion with salable GFA of approximately 24.57 million sq.m.



The Group also owned potential land bank in the Greater Bay Area with attributable salable resources of RMB551.9 billion, aggregating to RMB898.6 billion along with acquired attributable salable resources to create significant development value

Note:

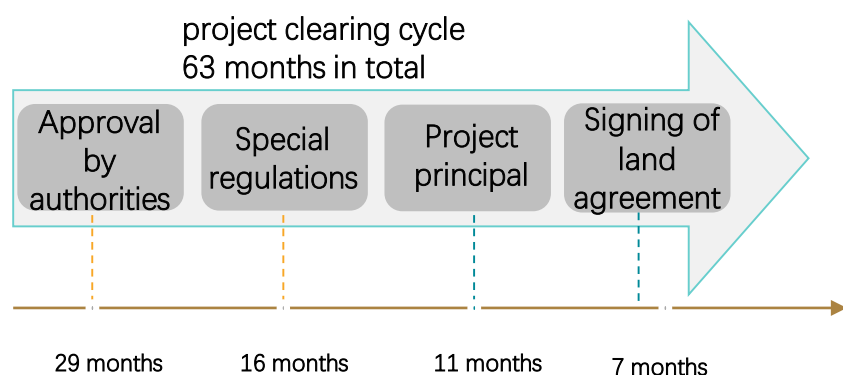
1. Attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio



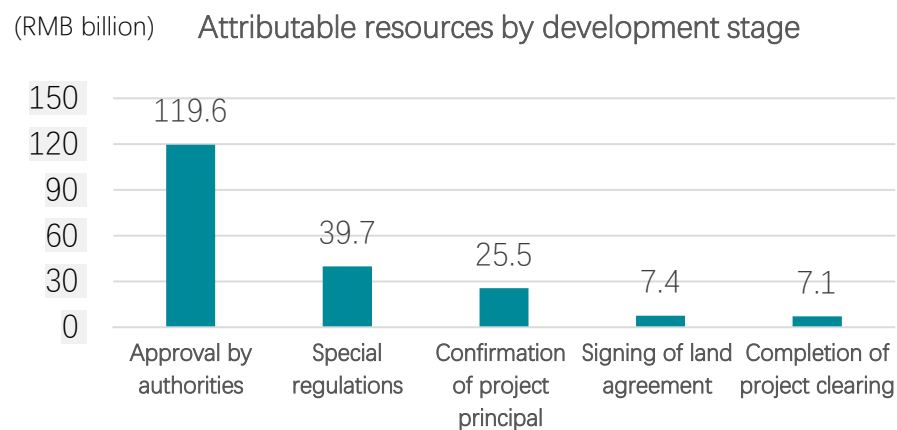
# Sufficient resources in urban redevelopment projects in Shenzhen with extensive market coverage

- As at 30 June 2019, the Group involved in urban redevelopment projects with attributable GFA totaled at 14.04 million sq.m., representing attributable resources of RMB 199.3 billion.

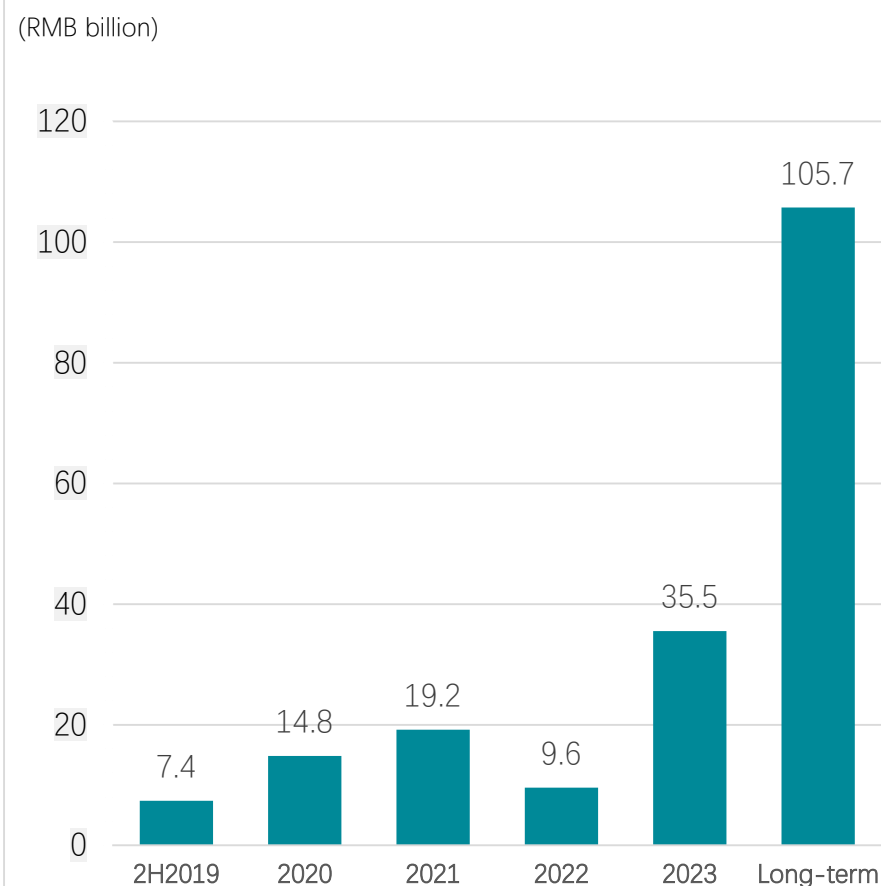
## Average project clearing cycle



## Progress of land clearing (as at 30 June 2019)



## Projects to be launched in future



Note: The forecast is based on current urban redevelopment projects and has no relevance to new projects in future.

# salable resources distribution in line with the trend of migration

Among existing salable resources:

98% are in regions with population of over 0.5 mn;

94% are in regions featuring immigration;

75% are in top-five city clusters

# Rational distribution of salable resources: major resources in line with the trend of migration

Permanent residents by end of 2017 (million)	Attributable salable resources (RMB billion)	Contribution to total salable resources
>10	281.4	16%
5-10	619.6	35%
3-5	588.0	33%
1-3	210.9	12%
0.5-1	29.0	2%
<0.5	29.8	2%
Total	1,758.7	100%

Net population	Attributable salable resources (RMB billion)	Contribution to total salable resources
Inflow	1,659.3	94%
Outflow	99.4	6%
Total	1,758.7	100%

City clusters	Attributable salable resources (RMB billion)	Contribution to total salable resources
<b>Top-five city clusters</b>	<b>1,313.8</b>	<b>75%</b>
♦ Yangtze River Delta / Jiangsu, Zhejiang, Shanghai and Anhui	358.9	20%
♦ Guangdong	467.9	27%
♦ Bohai Rim/Beijing-Tianjin-Hebei-Liaoning-Shanxi-Shandong-Inner Mongolia Area	254.2	15%
♦ Middle Yangtze River / Hunan and Hubei	162.1	9%
♦ Sichuan and Chongqing	70.7	4%
<b>Other pocket regions</b>	<b>444.9</b>	<b>25%</b>
♦ Henan	94.2	5%
♦ Hainan	69.2	4%
♦ Guizhou	64.3	4%
♦ others	217.2	12%
<b>Total</b>	<b>1,758.7</b>	<b>100%</b>

As at end of June 2019, among the salable resources, 98% are in regions with population of over 0.5 million; 94% are in regions featuring immigration; 75% are in top-five city clusters

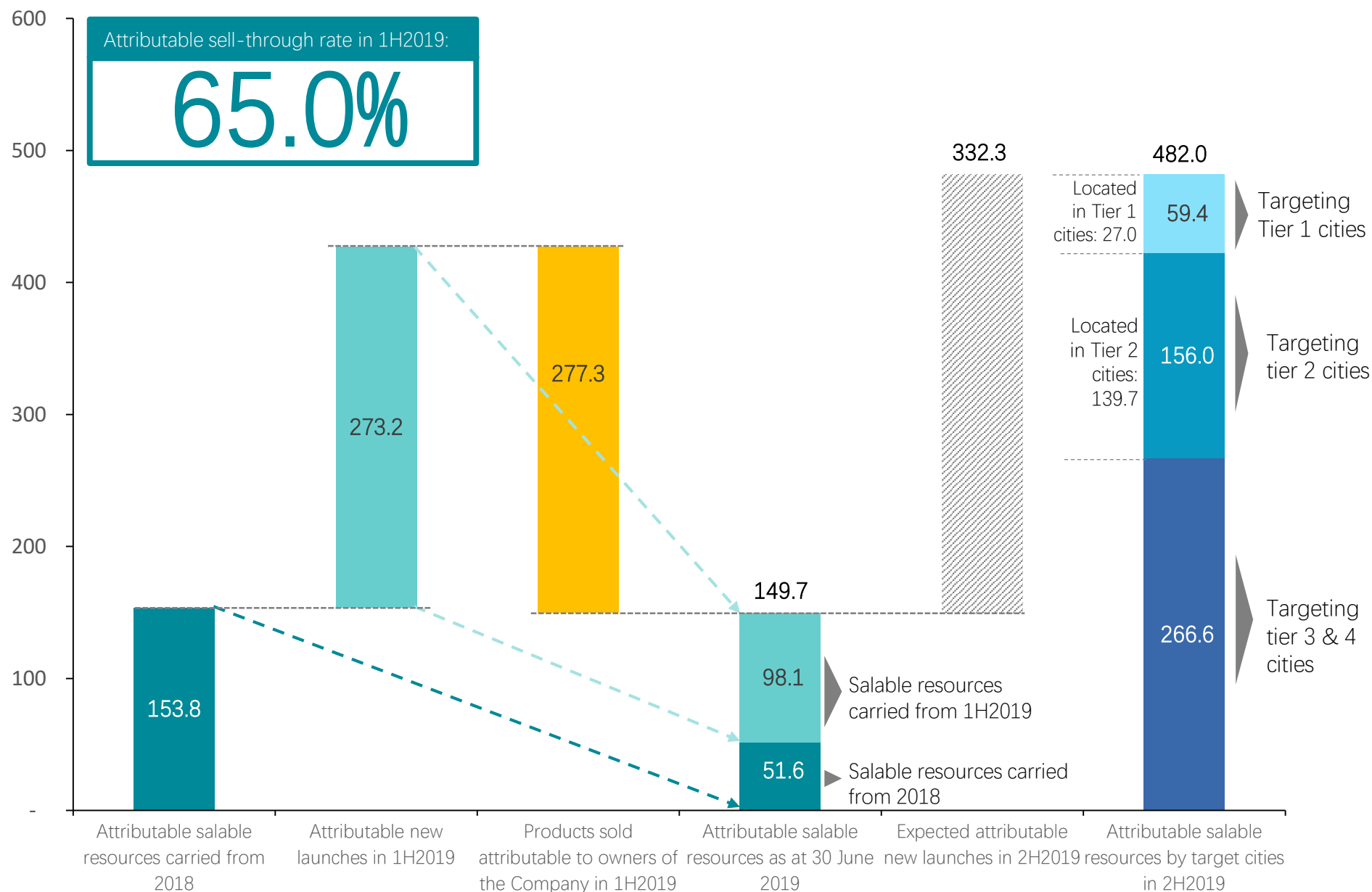
Note: Salable resources refer to figures as at 30 June 2019. Number of population migration are calculated in accordance with data from *Wind* and statistics on permanent residents of the city from China Urban-Rural Construction Statistical Yearbook issued by the Ministry of Housing and Urban-Rural Development

# sufficient salable resources

attributable salable resources in 2H2019  
reached RMB482.0 billion

# Attributable salable resources in Mainland China in 2019

Attributable salable resources<sup>1</sup> in Mainland China (RMB billion)



Note:

- Attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio. Completed but unsold or under construction unsold units with sales permit are also included in attributable salable resources.

# robotics

to be a global leading robotics service provider  
covering whole industry chain

# Develop robotic business to promote industrial innovation

## Advantages



### Strong R&D capability

- Establish a systematic and standardized R&D management system, proactively recruit talents for scientific research, carry out cooperation among the industry, university and research teams, focus on key technologies and achieve phased results.
- A total of 1,300 talents in R&D team, of which more than 35% with doctoral or master degree



### Intrinsic demand

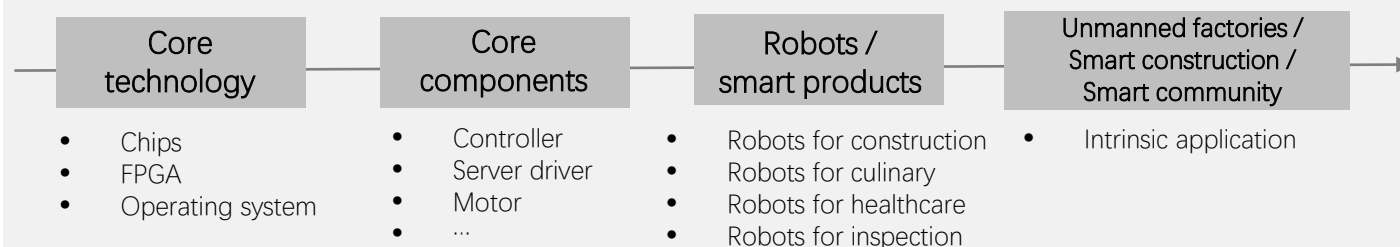
- Country Garden is expected to have large scale new starts of construction. We have huge demand for construction robots.
- Profound understanding of product demand makes us better adapted to market needs.

## Business Model

### Synergy

- Research and develop robots for construction leveraging continuous development of construction technology targeting real estate demand
- Develop construction technology and robots leveraging intrinsic construction demand

### Omni industry chain



### Business progress

#### Three major product lines :

- Robots for construction: **39 products** are under research, with **9** of them having entered the on-site testing stage to **fill the gap in industry supply**
- Robots for healthcare: **6** products are under research, all of which have entered the testing stage
- Robots for culinary: the **Chinese restaurant series** has been completed and is currently in trial operation, which **will soon be launched to the market**

#### Controllable R&D expenses:

- Following on-going R&D achievements, R&D expenses amounted to RMB**0.62** billion in the first half of 2019. Further investment will be made subject to actual situation.

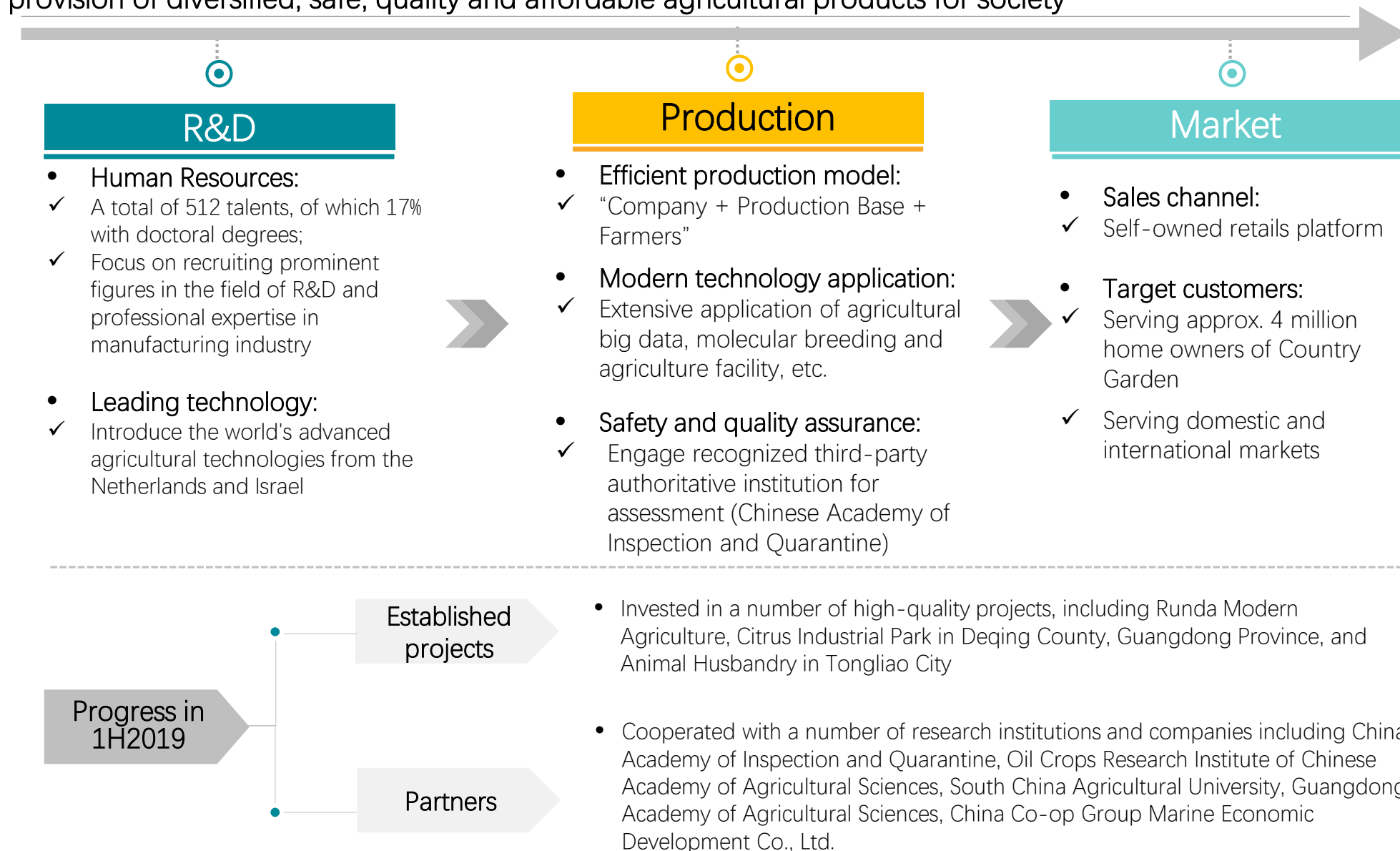
# modern agriculture

establish an international high-tech agriculture platform  
to provide comprehensive solutions for modern agriculture



# Integrate technology with agriculture to establish modern agriculture business with global competitiveness

Develop an omni agricultural industry chain to be a service provider of modern agricultural solutions, for the provision of diversified, safe, quality and affordable agricultural products for society



go above and beyond  
with prudence

Thank you for your confidence and support in Country Garden!