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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2020, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB266.95 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 31.85 million sq.m.
- During the period, the Group's cash collected from attributable contracted sales amounted to approximately RMB250.93 billion with cash collection ratio of 94%.
- In the first half of 2020, the Group recorded total revenue of approximately RMB184.96 billion, gross profit of approximately RMB44.89 billion, net profit of approximately RMB21.93 billion and the core net profit attributable to the owners of the Company¹ of approximately RMB14.61 billion.
- During the period, the Group's selling and marketing costs and administrative expenses decreased by 27.9% year on year to approximately RMB13.47 billion.
- As at 30 June 2020, the Group's total debt decreased by 7.5% to approximately RMB342.04 billion comparing with that as at 31 December 2019; and as at 30 June 2020, the weighted average borrowing cost of the Group's total debt decreased by 49 basic points to 5.85% comparing with that as at 31 December 2019.
- The Board declared payment of an interim dividend of RMB20.55 cents per share. The total interim dividend will equal 31.0% of the core net profit.

¹ It represents profit attributable to owners of the Company excluding the post-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses, net losses on early redemption of senior notes and convertible bonds and changes in fair value of financial instruments.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Country Garden Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**Country Garden**”) for the six months ended 30 June 2020.

BUSINESS REVIEW AND OUTLOOK

Development is the only way forward.

Country Garden started out in hardship but it ploughed on, always eager to explore ways to develop better. We have been tapping the potential of the property markets of tier 3 and 4 cities as well as those of the metropolitan regions of higher-tier cities. During the course of our development, we have carved out our niche in the market. To stabilize employment and economy in the face of the novel coronavirus pneumonia epidemic, the state has been trying to stimulate the domestic demand. Meanwhile, the further urbanization of China has incentivized more people to pursue career advancements in their own towns. Aspiring to build a life they love, they also long to own homes there. The Chinese people’s desire for a good life is simply unstoppable. Therefore, Country Garden feels obliged and honoured to help them attain this goal by building safe, healthy, stylish, affordable, functional and durable housing to suit their needs.

The epidemic has affected industries in varying degrees, casting uncertainties over the market. Nevertheless, the Group and its joint ventures and associates together recorded approximately RMB266.95 billion in contracted sales attributable to the shareholders of the Company for the six months ended 30 June 2020 (the “**Period**”). As at 30 June 2020, the Group had gained footholds in 288 cities and 1,334 counties/townships in 31 provinces/autonomous regions/municipalities in Mainland China. During the Period, the Group recorded revenue of approximately RMB184.96 billion, gross profit of approximately RMB44.89 billion, net profit of approximately RMB21.93 billion, and approximately RMB14.61 billion in core net profit attributable to the owners of the Company. In recognition of its performance, the Company has made it to the Fortune Global 500 List for four consecutive years since 2017 and it has improved its ranking significantly in the list to 147th this year, up by 30 places compared with that in 2019.

China’s market for properties and its related industries is still enormous, presenting Country Garden with ample opportunities. The continuing urbanization has engendered promising property markets in many places in the country for us to explore and develop. An avenue to success is open to Country Garden if the Group excels itself, enhances its competitiveness unceasingly and continues with its prudent approach to business.

During the Period, the Group’s cash collected from attributable contracted sales were approximately RMB250.93 billion with cash collection ratio of 94%. As at 30 June 2020, the Group’s available cash² amounted to approximately RMB205.52 billion, while its unused credit lines from banks totalled approximately RMB328.81 billion. The Group has been well recognized by credit rating agencies and major financial institutions for its sufficient working capital and has thus secured support from them. With its prudent approach to business operation, the Group’s total debt

² It represents cash and bank deposits (including restricted cash).

decreased by 7.5% to approximately RMB342.04 billion as at 30 June 2020 from those as at the end of 2019. The weighted average borrowing cost of the Group's total debt decreased by 49 basic points as at 30 June 2020 from that as at the end of 2019. This shows that our effort to reduce the borrowing cost has been effective. All this has demonstrated that the Group is in a strong financial position to cope with the ever-changing market and operating environment.

Adhering to the motto: "Going above and beyond with prudence", we have been working shoulder to shoulder with like-minded people towards a common goal: a better society. However, we also believe in letting the talents fully tap their potential and exercise their imagination. This allows us to live life to the fullest, to share the fruits of our endeavours and to work for a better tomorrow. With an average age of 47 years, our core management team that consists of group vice president or above is beyond stable. They have honed their skills and fostered their expertise through numerous trials. We have groomed more than 48 employees for the posts of regional presidents and regional vice presidents through our management trainee program. They have also proven their mettle. The Company's nearly one hundred thousand staff, including nearly one thousand holders of doctorates, are keeping up with the times and pursuing excellence. They are creating value for society and the capital market alike.

The era of robots has arrived. This has presented a great opportunity for us to leverage technology to make life better for the world. In "The Guideline on the coordination between of the adoption of smart technology in and the industrialization of the construction industry (《關於推動智能建造與建築工業化協同發展的指導意見》)" jointly issued in July 2020 by 13 ministries of the People's Republic of China, including the Ministry of Housing and Urban-Rural Development, an emphasis is placed on the upgrade and quality development of the construction industry through industrialization, digitalization and the adoption of smart technology. This serves to show that the Company's efforts to develop construction robots and adoption of smart technology in manufacturing is the right direction for its development. The Group started the Country Garden Bright Dream Robotics project in July 2018 and has since been researching on and developing construction robots, BIM (building information modeling) software, prefabricated construction and related core technologies. It has recruited 3,604 outstanding researchers and developers at home and abroad to work on the research and development, production and application of construction robots, intelligent equipment for construction and prefabricated construction. We applied for 2,314 patents on the results of our research and development and we have been granted 567 patents, thus owning proprietary core technologies for construction. In the pipeline is research on 50 types of construction robots, of which 35 is being tested at construction sites. They surpassed manual labour in both safety and efficiency by a wide margin. In the year to date, the robots developed by us for the leveling of ground, the cleaning of flats, common logistics, the interior spray-painting and the automated processing of reinforcing bars have been put to use at our property development projects in Shunde and Yangjiang cities, Guangdong province. Building housing with robots is now a dream come true. In fact, robots are applied not only to intelligent manufacturing but also to property management, medical care, catering, housing and agriculture. Such an extension of the scope of the application of robots has created immense value for Country Garden's mainstay business, the capital market and society alike. For instance, we have developed robots for the Foodom Robotic

Restaurant which currently operates a total of six restaurants. As at the end of June 2020, we have applied for 611 patents on such robots and we have been granted 205 patents. We have already developed 61 prototypes of robots and automated systems for catering, including burger robots, CloudRail system, integrated automatic steamers, hot pot delivering robots and automated logistics system. Specifically, the smart ice cream machine and clay-pot rice robots operating from a shipping container have been the first kind of catering robots to obtain China Robot Certification and CE marking at the same time.

Country Garden has been fortunate enough to be founded in the best of times that has also contributed to its success today. To express our gratitude, we give back to society and our country by promoting social advancement which, in turn, can also present good opportunities for business.

That is why Country Garden has also made charity work an integral part of its business. Since its establishment, the Group, together with Chairman of the Board, Mr. YEUNG Kwok Keung and his family, has donated over RMB6.7 billion to charity. Country Garden has donated RMB200 million to fight novel coronavirus pneumonia by setting up care fund for medical personnel and volunteers who engaged in the fight against the epidemic, purchasing scarce medical supplies worldwide and then delivering them directly to the epidemic areas. We also provided catering robots free of charge for the quarantined areas and mobile cabin hospitals. In addition, we have also built production lines for medical masks. All this is Country Garden's effort to join hands with all sections of society to assist our country in fighting the epidemic. Meanwhile, we carried out our work on poverty alleviation and the revival of rural economy in 14 counties in nine provinces, helping 337,000 people eradicate poverty and even get rich. In addition, we built a distribution channel through which rural villages can deliver diverse, safe, delicious and affordable agricultural produce to cities, thus bringing benefits to both farmers and consumers. The move has also contributed to the revival of rural economy and improved people's life. Furthermore, we are aiming to modernize agriculture on an industrial scale and increase its economic benefits with the help of robots and automation. This will help to ensure the country's food security and fight hunger for the world.

Only after rain can we expect rainbow. There is no easy path to success. We have to run our business with wisdom and diligence, and keen learning and improving from our experiences. Only then can we enhance our competitiveness and be well-positioned to grasp opportunities promptly whenever they arise.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	Unaudited 30 June 2020 RMB million	Audited 31 December 2019 RMB million
Non-current assets			
Property, plant and equipment		24,676	24,240
Investment properties		12,621	12,923
Intangible assets		1,236	745
Right-of-use assets		4,339	4,447
Properties under development		105,890	134,150
Investments in joint ventures		37,397	34,954
Investments in associates		18,056	17,159
Financial assets at fair value through other comprehensive income		3,132	3,282
Derivative financial instruments		2,076	2,648
Trade and other receivables	3	16,532	14,056
Deferred income tax assets		30,724	27,031
		256,679	275,635
Current assets			
Properties under development		932,849	810,300
Completed properties held for sale		49,417	45,781
Inventories		9,029	11,781
Trade and other receivables	3	446,648	438,195
Contract assets and contract acquisition costs		21,873	24,020
Prepaid income tax		28,202	24,712
Restricted cash		16,743	19,363
Cash and cash equivalents		188,779	248,985
Financial assets at fair value through profit or loss		12,219	7,933
Derivative financial instruments		831	447
		1,706,590	1,631,517

	<i>Note</i>	Unaudited 30 June 2020 RMB million	Audited 31 December 2019 RMB million
Current liabilities			
Contract liabilities		685,818	646,996
Trade and other payables	4	620,580	594,548
Receipts under securitisation arrangements		–	279
Current income tax liabilities		34,044	40,367
Senior notes	5	7,430	7,343
Corporate bonds	6	29,202	28,850
Convertible bonds		22	22
Bank and other borrowings		69,164	80,057
Lease liabilities		240	258
Derivative financial instruments		1	32
Dividend payable		7,492	–
		1,453,993	1,398,752
Net current assets		252,597	232,765
Total assets less current liabilities		509,276	508,400
Non-current liabilities			
Senior notes	5	63,153	57,550
Corporate bonds	6	21,012	17,550
Convertible bonds		5,764	5,495
Bank and other borrowings		146,294	172,736
Lease liabilities		373	651
Deferred government grants		119	215
Deferred income tax liabilities		35,684	32,763
Derivative financial instruments		1,881	2,832
		274,280	289,792
Equity attributable to owners of the Company			
Share capital and premium	7	30,013	29,751
Other reserves		12,028	12,472
Retained earnings		116,447	109,716
		158,488	151,939
Non-controlling interests		76,508	66,669
Total equity		234,996	218,608
Total equity and non-current liabilities		509,276	508,400

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June	
		2020 RMB million	2019 RMB million
Revenue	2	184,957	202,006
Cost of sales		(140,070)	(147,150)
Gross profit		44,887	54,856
Other income and gains — net	8	1,880	1,656
Gains arising from changes in fair value of and transfer to investment properties		3	16
Selling and marketing costs		(6,894)	(9,098)
Administrative expenses		(6,574)	(9,571)
Research and development expenses		(1,030)	(620)
Net impairment losses on financial and contract assets		(854)	(973)
Operating profit		31,418	36,266
Finance income	9	2,508	1,506
Finance costs	9	(622)	(601)
Finance income — net	9	1,886	905
Share of results of joint ventures and associates		2,583	2,317
Profit before income tax		35,887	39,488
Income tax expenses	10	(13,961)	(16,431)
Profit for the period		21,926	23,057
Profit attributable to:			
— Owners of the Company		14,132	15,635
— Non-controlling interests		7,794	7,422
		21,926	23,057
Earnings per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	12	0.66	0.73
Diluted	12	0.63	0.71
Dividends			
Interim dividend	11	4,528	4,953

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Profit for the period	21,926	23,057
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
— Change in fair value of financial assets at fair value through other comprehensive income	(289)	72
Items that may be reclassified to profit or loss:		
— Deferred losses on cash flow hedges	(240)	(65)
— Deferred gains of hedging	217	527
— Currency translation differences	112	(349)
Total other comprehensive (loss)/income for the period, net of tax	(200)	185
Total comprehensive income for the period	21,726	23,242
Total comprehensive income attributable to:		
— Owners of the Company	13,852	15,824
— Non-controlling interests	7,874	7,418
	21,726	23,242

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Change in accounting policies and disclosures

The accounting policies applied are consistent with those of the 2019 Financial Statements as described therein.

Amendments to existing standards that are effective for the financial year beginning on 1 January 2020 and adopted by the Group for this period either do not have a material impact or are not relevant to the Group.

Except for Amendments to HKFRS 16 which becomes effective this period, new and revised standards and amendments to existing standards that have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted:

		Effective for the financial year beginning on or after
Amendments to HKFRS 16	Covid-19 — related rent concessions	1 June 2020
HKFRS 17	Insurance contracts	1 January 2021
Amendments to HKAS 16	Property, plant and equipment — proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to the conceptual Framework	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

None of these is expected to have a significant impact on the Group's accounting policies except for HKFRS 17 and Amendments to HKAS 1. The Group will assess the impact of HKFRS 17 and Amendments to HKAS 1 on the Group's accounting policies.

2. Revenue and segment information

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources. The executive directors of the Company have determined the operating segments based on these reports.

The executive directors of the Company assessed the performance and operations of the Group and concluded that the Group only has two reportable segments — Property development and Construction. The Others segment mainly including property investment, hotel operation, robotic intelligent manufacturing, robotic catering, community retail, modern agriculture and other businesses which are individually and collectively insignificant for segment reporting purposes.

In the first half of 2020, the Group began to include the financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVTPL”) into the segment assets. The segment information below at 31 December 2019 has been revised so that the segment disclosures are comparable.

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit, adjusted by excluding fair value changes on derivative financial instruments and including share of results of joint ventures and associates.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, investment properties, financial assets at FVOCI, financial assets at FVTPL, properties under development, investments in joint ventures, investments in associates, completed properties held for sale, inventories, receivables, prepaid income tax, contract assets and contract acquisition costs and operating cash. They exclude derivative financial instruments and deferred income tax assets. Segment liabilities consist primarily of operating liabilities. They exclude receipts under securitisation arrangements, current income tax liabilities, senior notes, corporate bonds, convertible bonds, bank and other borrowings, dividend payable, derivative financial instruments and deferred income tax liabilities.

Capital expenditure comprises additions to property, plant and equipment, investment properties, intangible assets and right-of-use assets, excluding those arising from business combinations.

Revenue consists of the following:

	Six months ended 30 June	
	2020 <i>RMB million</i>	2019 <i>RMB million</i>
Sales of properties	179,949	196,678
Rendering of construction services	3,219	3,459
Rental income	221	143
Rendering of hotel services and others	1,568	1,726
	184,957	202,006

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

The Group's revenue is mainly attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

The segment information provided to the executive directors of the Company for the reportable segments is as follows:

	Property development <i>RMB million</i>	Construction <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Six months ended 30 June 2020				
Revenue from contracts with customers	179,949	19,442	9,547	208,938
— Recognised at a point in time	135,331	—	9,096	144,427
— Recognised over time	44,618	19,442	451	64,511
Revenue from other sources: rental income	—	—	232	232
Segment revenue	179,949	19,442	9,779	209,170
Inter-segment revenue	—	(16,223)	(7,990)	(24,213)
Revenue from external customers	179,949	3,219	1,789	184,957
Share of results of joint ventures and associates	2,616	—	(33)	2,583
Gains arising from changes in fair value of and transfer to investment properties	—	—	3	3
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	169	49	620	838
Net impairment losses on financial and contract assets	787	17	50	854
Segment results	34,870	110	(1,102)	33,878
At 30 June 2020				
Total segment assets after elimination of inter-segment balances	1,771,376	38,964	119,298	1,929,638
Investments in joint ventures and associates	55,229	—	224	55,453
Capital expenditure	526	254	1,304	2,084
Total segment liabilities after elimination of inter-segment balances	1,183,946	29,778	93,406	1,307,130

	Property development <i>RMB million</i>	Construction <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Six months ended 30 June 2019				
Revenue from contracts with customers	196,678	21,883	8,050	226,611
— Recognised at a point in time	146,934	—	7,200	154,134
— Recognised over time	49,744	21,883	850	72,477
Revenue from other sources: rental income	—	—	143	143
Segment revenue	196,678	21,883	8,193	226,754
Inter-segment revenue	—	(18,424)	(6,324)	(24,748)
Revenue from external customers	196,678	3,459	1,869	202,006
Share of results of joint ventures and associates	2,353	—	(36)	2,317
Gains arising from changes in fair value of and transfer to investment properties	—	—	16	16
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	145	22	398	565
Net impairment losses on financial and contract assets	919	14	40	973
Segment results	38,427	171	(142)	38,456
At 31 December 2019				
Total segment assets after elimination of inter-segment balances	1,721,377	37,801	117,848	1,877,026
Investments in joint ventures and associates	51,861	—	252	52,113
Capital expenditure	2,091	157	2,960	5,208
Total segment liabilities after elimination of inter-segment balances	1,120,310	30,489	91,869	1,242,668

3. Trade and other receivables

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Included in current assets		
— Trade receivables — net (<i>note (a)</i>)	37,505	39,863
— Other receivables — net (<i>note (b)</i>)	302,410	296,884
— Loans to third parties — net	11	14
— Prepayments for land (<i>note (c)</i>)	53,531	49,597
— Other prepayments (<i>note (d)</i>)	53,191	51,837
	<u>446,648</u>	<u>438,195</u>
Included in non-current assets		
— Deposits for acquisitions of companies	16,532	14,056
	<u>463,180</u>	<u>452,251</u>

(a) Details of trade receivables are as follows:

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Trade receivables	37,699	40,034
Less: allowance for impairment	(194)	(171)
	<u>37,505</u>	<u>39,863</u>

Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on property delivery date is as follows:

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Within 90 days	33,590	35,156
Over 90 days and within 180 days	2,265	2,558
Over 180 days and within 365 days	1,326	1,665
Over 365 days	518	655
	<u>37,699</u>	<u>40,034</u>

As at 30 June 2020 and 31 December 2019, trade receivables were mainly denominated in RMB.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of buyers. Trade receivables were collateralised by the titles of the properties sold.

(b) Details of other receivables are as follows:

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Amounts due from joint ventures, associates and other related parties	110,404	114,474
Land auction and other deposits	15,655	14,357
Others (*)	180,565	171,436
	<u>306,624</u>	<u>300,267</u>
Less: allowance for impairment	(4,214)	(3,383)
Other receivables — net	302,410	296,884

* These receivables mainly included current accounts due from the other shareholders of certain subsidiaries, joint ventures and associates of the Group for various payments on their behalf, which are mainly interest-free, unsecured and repayable according to contract terms.

(c) Prepayments for land are related to prepaid land acquisition costs while relevant land use right certificates have not been obtained as at 30 June 2020.

(d) Other prepayments mainly represent prepaid value-added taxes and prepayments for purchases of construction materials and services.

4. Trade and other payables

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Trade payables (<i>note (a)</i>)	353,728	329,305
Other payables (<i>note (b)</i>)	209,441	203,467
Other taxes payable	51,392	51,427
Salaries payable	6,019	10,349
	<u>620,580</u>	<u>594,548</u>

(a) The ageing analysis of trade payables based on the date of invoice is as follows:

	30 June 2020	31 December 2019
	<i>RMB million</i>	<i>RMB million</i>
Within 90 days	294,191	274,669
Over 90 days and within 180 days	47,356	43,438
Over 180 days and within 365 days	7,857	7,273
Over 365 days	4,324	3,925
	<u>353,728</u>	<u>329,305</u>

(b) Other payables mainly included deposits from property buyers and current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries, joint ventures and associates of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.

5. Senior notes

	Six months ended 30 June	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
At 1 January	64,893	41,716
Additions (<i>note (a)</i>)	10,675	16,765
Repayment upon maturity (<i>note (a)</i>)	(6,233)	(1,723)
Interest expenses	2,220	1,723
Coupon interest paid	(1,936)	(1,396)
Currency translation differences	964	380
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At 30 June	70,583	57,465
Less: current portion included in current liabilities	(7,430)	(7,038)
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Included in non-current liabilities	63,153	50,427
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(a) During the period ended 30 June 2020, the Group has newly issued and repaid senior notes as follows:

Name of notes	Par value	Interest rate	Issue date	Term of the notes
	<i>USD million</i>			
Issued during the period:				
2027 Notes	550	5.125%	14 January 2020	7 years
2030 Notes	450	5.625%	14 January 2020	10 years
2025 Notes III	544	5.400%	27 May 2020	5 years
Repaid during the period upon maturity:				
2020 Notes	900	7.500%	9 March 2015	5 years

6. Corporate bonds

	Six months ended 30 June	
	2020 <i>RMB million</i>	2019 <i>RMB million</i>
At 1 January	46,400	41,908
Additions (<i>note (a)</i>)	9,940	4,374
Repayment	(7,000)	(100)
Interest expenses	1,405	1,358
Coupon interest paid	(514)	(210)
Currency translation differences	(17)	6
	<hr/>	<hr/>
At 30 June	50,214	47,336
Less : current portion included in current liabilities	(29,202)	(28,098)
	<hr/>	<hr/>
Included in non-current liabilities	21,012	19,238
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(a) During the period ended 30 June 2020, corporate bonds newly issued or refinanced by the Group were listed as follows:

Name of bond	Par value <i>RMB million</i>	Interest rate	Issue date	Term of the bond
RM Private Corporate bonds of Country Garden Real Estate Sdn. Bhd. (“ Malaysia Country Garden ”) issued in 2020 — tranche V	166	5.70%	2 March 2020	7 years
RM Private Corporate bonds of Malaysia Country Garden issued in 2020 — tranche VI	166	4.75%	2 March 2020	1 year
RM Private Corporate bonds of Malaysia Country Garden issued in 2020 — tranche VII	481	5.25%	27 March 2020	5 years
RMB Ultra-short-term financing bonds of Guangdong Giant Leap Construction Co., Ltd. (“ Giant Leap ”) issued in 2020	200	3.00%	23 April 2020	270 days
RMB Corporate bonds of Country Garden Property issued in 2020 — tranche I	3,400	4.20%	1 April 2020	5 years
RMB Corporate bonds — tranche I of the Company issued in 2016*	3,775	6.30%	2 March 2020	1 year
RMB Private Corporate bonds of Giant Leap issued in 2019 — tranche I*	1,765	4.30%	26 April 2020	1 year

* Refinanced during the period.

7. Share capital and premium

	Number of ordinary shares million	Nominal value of ordinary shares HKD million	Equivalent nominal value of ordinary shares RMB million	Share premium RMB million	Total RMB million	Treasury shares RMB million	Group total RMB million
Authorised							
At 1 January 2019, 30 June 2019, 1 January 2020 and 30 June 2020, HKD0.10 per share	<u>100,000</u>	<u>10,000</u>					
Issued and fully paid							
At 1 January 2019	21,646	2,164	2,032	28,201	30,233	(2,352)	27,881
Exercise of employee share schemes	14	2	1	143	144	-	144
At 30 June 2019	<u>21,660</u>	<u>2,166</u>	<u>2,033</u>	<u>28,344</u>	<u>30,377</u>	<u>(2,352)</u>	<u>28,025</u>
At 1 January 2020	21,845	2,184	2,050	30,053	32,103	(2,352)	29,751
Exercise of employee share schemes	28	3	2	217	219	43	262
At 30 June 2020	<u>21,873</u>	<u>2,187</u>	<u>2,052</u>	<u>30,270</u>	<u>32,322</u>	<u>(2,309)</u>	<u>30,013</u>

8. Other income and gains — net

	Six months ended 30 June	
	2020 <i>RMB million</i>	2019 <i>RMB million</i>
Other income		
— Management and other related service income	651	718
— Forfeiture income	113	39
— Government subsidy income	139	32
	<u>903</u>	<u>789</u>
Other gains		
— Gains arising from negative goodwill	438	87
— Gains on disposals of subsidiaries	256	415
— Gains on disposals of property, plant and equipment	9	39
— Changes in fair value of derivative financial instruments	123	127
— Others	151	199
	<u>977</u>	<u>867</u>
Total other income and gains — net	<u>1,880</u>	<u>1,656</u>

9. Finance income — net

	Six months ended 30 June	
	2020 <i>RMB million</i>	2019 <i>RMB million</i>
Finance income:		
— Interest income on short-term deposits and others	<u>2,508</u>	<u>1,506</u>
Finance costs:		
— Interest expenses for bank borrowings, senior notes, corporate bonds and others	(12,398)	(11,019)
— Interest expenses for lease liabilities	<u>(23)</u>	<u>(11)</u>
	(12,421)	(11,030)
Less: amounts capitalised on qualifying assets	<u>12,421</u>	<u>11,030</u>
	—	—
— Net foreign exchange losses	<u>(622)</u>	<u>(601)</u>
Finance income — net	<u><u>1,886</u></u>	<u><u>905</u></u>

10. Income tax expenses

	Six months ended 30 June	
	2020 <i>RMB million</i>	2019 <i>RMB million</i>
Current income tax		
— Corporate income tax	11,149	11,310
— Land appreciation tax	<u>6,460</u>	<u>8,342</u>
	<u>17,609</u>	<u>19,652</u>
Deferred income tax		
— Corporate income tax	(3,752)	(3,615)
— Land appreciation tax	(115)	161
— Withholding income tax	<u>219</u>	<u>233</u>
	<u>(3,648)</u>	<u>(3,221)</u>
	<u><u>13,961</u></u>	<u><u>16,431</u></u>

11. Dividends

On 25 August 2020, the Board declared an interim dividend of RMB20.55 cents per share in the form of cash for the six months ended 30 June 2020, totalling RMB4,528 million (2019 interim dividend: RMB22.87 cents per share, totalling RMB4,953 million). This interim dividend has not been recognised as liabilities in this interim financial information.

The final dividend in respect of 2019 of RMB34.25 cents (equivalent to HKD37.28 cents) per share, totalling RMB7,492 million approved at the annual general meeting of the Company on 21 May 2020 has been paid partly in new shares of the Company and partly in cash in August 2020.

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

	Six months ended 30 June	
	2020	2019
Profit attributable to owners of the Company (RMB million)	14,132	15,635
Weighted average number of ordinary shares in issue (million)	21,569	21,361
Earnings per share — Basic (RMB yuan per share)	0.66	0.73

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had four categories of dilutive potential ordinary shares: share options, awarded shares, written call options and convertible bonds. For the share options, awarded shares and written call options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options, awarded shares and written call options. The convertible bonds are assumed to have been converted into ordinary shares. Interest savings on convertible bonds are adjusted to the extent of the amount charged to the profit attributable to owners of the Company, if applicable. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options, awarded shares and written call options and conversion of convertible bonds. Written call options were excluded from the computation of diluted earnings per share as they are anti-dilutive for six months ended 30 June 2020.

	Six months ended 30 June	
	2020	2019
Profit attributable to owners of the Company (RMB million)	14,132	15,635
Weighted average number of ordinary shares in issue (million)	21,569	21,361
Adjustments — share options, awarded shares and convertible bonds (million)	723	689
Weighted average number of ordinary shares for diluted earnings per share (million)	22,292	22,050
Earnings per share — Diluted (RMB yuan per share)	0.63	0.71

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Construction. Revenue of the Group decreased by 8.4% to approximately RMB184,957 million in the first half of 2020 from approximately RMB202,006 million for the corresponding period in 2019. 97.3% of the Group's revenue was generated from the sales of properties (corresponding period in 2019: 97.4%), and 2.7% from Construction and Others segments (corresponding period in 2019: 2.6%).

Property Development

Due to the impact of the outbreak of Coronavirus (“COVID-19”) in the first half of 2020, the construction progress and the delivery of property units of certain projects have been slowed down temporarily. Revenue generated from property development decreased by 8.5% to approximately RMB179,949 million for the six months ended 30 June 2020 from approximately RMB196,678 million for the corresponding period in 2019. The recognised average selling price of property delivered was approximately RMB8,116 per sq.m. for the six months ended 30 June 2020, decreasing from approximately RMB8,987 per sq.m. for the corresponding period in 2019.

Construction

Construction revenue decreased by 6.9% to approximately RMB3,219 million for the six months ended 30 June 2020 from approximately RMB3,459 million for the corresponding period in 2019, primarily due to the decrease of construction volume during the shutdown period caused by COVID-19.

Others

Others segment mainly includes property investment, hotel operation and others, such as robotic intelligent manufacturing, robotic catering, community retail and modern agriculture businesses. Revenue from external parties of these segments decreased by 4.3% to approximately RMB1,789 million for the six months ended 30 June 2020 from approximately RMB1,869 million for the corresponding period in 2019.

Finance Income — Net

The Group recorded net finance income of approximately RMB1,886 million in the first half of 2020 (corresponding period in 2019: approximately RMB905 million).

During the period, the Group recorded post-hedging net foreign exchange losses of approximately RMB622 million (corresponding period in 2019: approximately RMB601 million), interest income of approximately RMB2,508 million (corresponding period in 2019: approximately RMB1,506 million), interest expense of approximately RMB12,421 million (corresponding period in 2019: approximately RMB11,030 million) of which 100% were capitalised on qualifying assets (corresponding period in 2019: 100%).

Profit and Core Net Profit Attributable to Owners of the Company

Due to the impact of the outbreak of COVID-19, which delayed the construction and delivery of the property projects, and the early investment in new business segments causing consolidated pre-tax loss approximately RMB940 million, the profit attributable to owners of the Company decreased by 9.6% to approximately RMB14,132 million for the six months ended 30 June 2020, when compared with approximately RMB15,635 million for the corresponding period in 2019.

After deduction of the post-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses, net losses on early redemption of senior notes and convertible bonds and changes in fair value of financial instruments, the core net profit attributable to owners of the Company for the first half of 2020 was approximately RMB14,607 million, representing an decrease of 8.6% when compared with approximately RMB15,979 million for the corresponding period in 2019.

Liquidity, Financial and Capital Resources

As at 30 June 2020, the Group's available cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB205,522 million (31 December 2019: approximately RMB268,348 million). As at 30 June 2020, 96.5% (31 December 2019: 96.6%) of the Group's cash and bank deposits was denominated in Renminbi and 3.5% (31 December 2019: 3.4%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

As at 30 June 2020, the carrying amount of the restricted cash was approximately RMB16,743 million (31 December 2019: approximately RMB19,363 million). Pursuant to relevant regulations, certain project companies were required to deposit a portion of proceeds from pre-sales of properties into designated bank accounts. Before completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials and equipment, making interim construction payments, paying tax, etc, with the prior approval of the relevant local authorities.

As at 30 June 2020, the net current assets of the Group were approximately RMB252,597 million (31 December 2019: approximately RMB232,765 million). The current ratio being current assets over current liabilities was approximately 1.2 as at 30 June 2020, which was the same as that at 31 December 2019.

As at 30 June 2020, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB215,458 million, RMB70,583 million, RMB50,214 million and RMB5,786 million respectively (31 December 2019: approximately RMB252,793 million, RMB64,893 million, RMB46,400 million and RMB5,517 million respectively).

For bank and other borrowings, approximately RMB69,164 million, RMB140,006 million and RMB6,288 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2019: approximately RMB80,057 million, RMB170,089 million and RMB2,647 million respectively). As at 30 June 2020 and 31 December 2019, the majority of the bank and other borrowings were secured by certain properties, right-of-use assets, equipment and equity investment interests of the Group and/or guaranteed by the Group.

Net gearing ratio is measured by the net debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds, net of available cash, which equals to the sum of cash and cash equivalents and restricted cash) over total equity. The Group's net gearing ratio increased from approximately 46.3% as at 31 December 2019 to approximately 58.1% as at 30 June 2020.

Key Risk Factors and Uncertainties

The following lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks Pertaining to the Property Market and Operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences. Therefore, the Group continues to implement its strategies to develop and strengthen penetration of different regional markets thereby reducing its dependence on specific markets. The Group's operation is subject to a number of risk factors distinctive to property development, property investment, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations.

Interest Rate Risk

The Group's bank and other borrowings mainly bear floating rates. As at 30 June 2020, the weighted average borrowing cost of the Group's total debt was 5.85%, which decreased by 49 basic points as compared with that as at 31 December 2019. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements, refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

The Group's business is mainly denominated in Renminbi. Foreign exchange risk mainly arises from the outstanding foreign currency borrowings (mainly denominated in US dollars, HK dollars and Malaysian Ringgit). Since 2015, the Group has adopted foreign currency hedging instruments to achieve better management over foreign exchange risk. The objective of the hedges is to minimise the volatility of the RMB cost of highly probable forecast repayments of foreign debts. The Group's risk management policy is to partially hedge forecasted foreign currency cash flows, subject to availability of appropriate hedging instruments and cost of hedging. The Group uses a combination of foreign exchange forward contracts, foreign currency option contracts and foreign exchange structured derivatives and cross currency swaps to hedge its exposure to foreign exchange risk.

Guarantees

As at 30 June 2020, the Group had guarantees in respect of mortgage facilities for certain buyers amounting to approximately RMB367,954 million (31 December 2019: approximately RMB348,154 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate which are generally available within three months after the buyers take possession of the relevant properties; and (ii) the satisfaction of mortgage loans by the property buyers.

The Board considers that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty, therefore, no provision has been made in the financial statements for the guarantees.

In addition, as at 30 June 2020, the Group had provided guarantees amounting to approximately RMB69,121 million (31 December 2019: approximately RMB73,239 million) for certain borrowings of the joint ventures, associates and other related parties of the Group.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 30 June 2020, the Group had approximately 87,851 full-time employees.

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group believes that the salaries and benefits that the employees receive are competitive in comparison with market rates. The Group is subject to social insurance contribution plans or other pension schemes organised by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this announcement, there were no significant labor disputes which adversely affect or are likely to have an adverse effect on the operations of the Group.

In order to adapt itself to the fast growing and ever changing market, the Group came up with the partnership scheme, aligning the interests of employees with that of the Group. Not only could this profit and loss sharing program help lower operational cost and increase profit and returns, but also make employees better understand the Company's culture of "home experience", and allow them to further develop together with the Group.

The Group has approved and/or adopted certain share option scheme and employee incentive scheme, details can be referred in the sections headed "SHARE OPTION SCHEME" and "EMPLOYEE INCENTIVE SCHEME" in this announcement.

Forward Looking

The outbreak of COVID-19 had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the operating and financial performance of the real estate industry, the Group has been keeping continuous attention on the situation of the COVID-19 and reacting actively to it. After effective control measures by Chinese government, the outbreak has been gradually brought under control. The Group believes that the potential housing demand will not decrease because of COVID-19, and the impact of COVID-19 is temporary.

In the long run, it is expected that the government will continue to implement a long-term mechanism for real estate market for its steady and healthy development. At the same time, urbanization in China is far from over. The county and township dwellers' ongoing desire to improve their housing conditions makes a huge potential for property development in the country.

To embrace the challenges and opportunities brought by the change of the market, the Group will continue to adopt prudent financial policies and risk control measures, enhance the quality of the buildings and ensure safety, apply a more conservative and practical strategy on new land acquisition, strengthen its contracted sales and cash collection to strengthen operating cash flows and ensure investment return.

Meanwhile, on the basis of steady operation, the Group will make flexible adjustments according to market situations, apply strict cost control, continue to strengthen competitiveness throughout the cycle and ensure the coordinated development of profitability and high quality.

Looking forward, the Group will continue to focus on the residential and related demands brought by urbanization and actively explore the value of businesses and assets within the value chain of real estate. The Group has constructed a corresponding investment portfolio which covers intelligent manufacturing and robotics business, modern agriculture, community retail, etc., which focusing on the innovation of artificial intelligence industry, the aging problem of the construction industry workforce, the new social trends of the increasing consumer demands for food safety. The Group will continuously establish an integrated platform covering the entire life span for our clients.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung and Mr. HUANG Hongyan. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2020. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2020 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

During the six months ended 30 June 2020, the Company has applied the principles and has complied with the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), save and except for the code provision E.1.2 of the CG Code as the Chairman of the Board (who was also the chairman of the Nomination Committee, Corporate Governance Committee, Environmental, Social and Governance Committee and Executive Committee of the Company) was unable to attend the annual general meeting of the Company held on 21 May 2020 due to the travel restrictions then in place as a result of the novel Coronavirus (COVID-19) epidemic.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the six months ended 30 June 2020. No incident of non-compliance was noted by the Company to date in 2020. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was approved and adopted by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 18 May 2017 (the “**2017 AGM**”) for a period of 10 years commencing on the adoption date and ending on 17 May 2027. Subject to the terms and conditions of the Share Option Scheme, the Board may, at its discretion, grant share options to any eligible person to subscribe for the shares of the Company (the “**Share(s)**”) within the validity period of the scheme.

During the six months ended 30 June 2020, share options for 19,110,878 Shares with a fair value on the grant date of approximately RMB157 million were granted to eligible persons in accordance with the terms of the Share Option Scheme.

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of the employee incentive scheme (the “**Employee Incentive Scheme**”) for rewarding the contribution of the senior management and employees of the Group which excludes any connected persons of the Company, together with the scheme rules, were approved by the Board. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance their performance and efficiency. The trustee of the Employee Incentive Scheme is Power Great Enterprises Limited (“**Power Great**”), a wholly-owned subsidiary of the Company. During the six months ended 30 June 2020, Power Great had not purchased any Share from the market, and had not acquired any Share by any other way in accordance with the Employee Incentive Scheme. During the six months ended 30 June 2020, share awards for 13,726,614 Shares were granted under the Employee Incentive Scheme subject to completion of the registration and transfer procedures pursuant to the terms of the Employee Incentive Scheme. As at 30 June 2020, the total number of Shares in relation to share awards that were granted under the Employee Incentive Scheme was 156,367,820 Shares (being the net number after deduction of the exercised and lapsed Shares). As at 30 June 2020, the cumulative total number of Shares held by Power Great under the Employee Incentive Scheme was 288,078,292 Shares (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2019: 293,187,105 Shares).

The Board will continue to monitor the Employee Incentive Scheme for motivating the senior management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the Employee Incentive Scheme with and/or adopt any other incentive scheme.

ADJUSTMENT TO CONVERSION PRICE OF CONVERTIBLE BONDS AND STRIKE PRICE OF WRITTEN CALL OPTIONS

On 21 November 2018, the Company, Smart Insight International Limited (the “**Issuer**”, a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the “**Joint Lead Managers**”) entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the “**2023 Convertible Bonds**”). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited. As at the date of this announcement, the 2023 Convertible Bonds may be converted into Shares at the latest modified conversion price of HKD11.43 per Share during the conversion period under the terms of the 2023 Convertible Bonds.

On 21 November 2018, the Issuer entered into call option transaction(s) involving the sale of call option(s) by the Issuer to J.P. Morgan Securities plc and Goldman Sachs International or their respective affiliates with the initial strike price of HKD17.908 (the “**Written Call Option(s)**”). As at the date of this announcement, the strike price of the Written Call Options had been adjusted to the latest modified strike price of HKD16.26 per Written Call Option.

Please refer to the announcements of the Company dated 21 November 2018, 22 November 2018, 12 December 2018, 24 May 2019, 3 June 2019, 12 September 2019 and 1 June 2020, and the circular of the Company dated 11 April 2019 for further details.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of the Shares during the six months ended 30 June 2020. For details of purchase, sale or redemption by the Company or any of its subsidiaries of its other listed securities during the six months ended 30 June 2020, please refer to notes 5 and 6 to the “NOTES TO THE INTERIM FINANCIAL INFORMATION” and the section headed “ADJUSTMENT TO CONVERSION PRICE OF CONVERTIBLE BONDS AND STRIKE PRICE OF WRITTEN CALL OPTIONS” in this announcement.

INTERIM DIVIDEND

The Board declared an interim dividend of RMB20.55 cents (2019 interim dividend: RMB22.87 cents) per Share for the six months ended 30 June 2020 (the “**Interim Dividend**”) to eligible Shareholders whose names appear on the registers of members of the Company (the “**Registers of Members**”) on Tuesday, 22 September 2020 (the “**Record Date**”) (the “**Eligible Shareholders**”).

The Interim Dividend was declared in RMB and shall be distributed in Hong Kong dollars. The Interim Dividend to be distributed in Hong Kong dollars will be converted from RMB at the average central parity rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Wednesday, 9 September 2020 to Tuesday, 15 September 2020. It is expected that the Interim Dividend warrants will be dispatched to the Eligible Shareholders on or around Friday, 6 November 2020.

CLOSURE OF REGISTERS OF MEMBERS

For the purpose of determining the Eligible Shareholders' entitlement to the Interim Dividend, the Registers of Members will be closed as appropriate as set out below:

Ex-dividend date	Wednesday, 16 September 2020
Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Thursday, 17 September 2020
Closure of Registers of Members	Friday, 18 September 2020 to Tuesday, 22 September 2020 (both days inclusive)
Record Date	Tuesday, 22 September 2020

For the purpose mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

PUBLICATION OF INTERIM RESULTS

The interim results announcement is published on the Company's website (<http://www.countrygarden.com.cn>) and the Stock Exchange's designated website (<http://www.hkexnews.hk>).

By order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Foshan, Guangdong Province, the PRC, 25 August 2020

As of the date of this announcement, the executive Directors are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Co-Chairman), Mr. MO Bin (President), Ms. YANG Ziyang, Mr. YANG Zhicheng, Mr. SONG Jun and Mr. SU Baiyuan. The non-executive Director is Mr. CHEN Chong. The independent non-executive Directors are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan and Mr. TO Yau Kwok.