

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

COUNTRY GARDEN



COUNTRY GARDEN 碧桂園

给您一个五星级的家

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

2020 INTERIM REPORT

WHAT IS COUNTRY GARDEN ?

Country Garden is a diversified technology company that creates lifestyle products for global markets.

We are committed to robotics

Country Garden has nearly 200,000 employees, including nearly 1,000 PhDs. We established Bright Dream Robotics so that we could bring together leading minds from around the world to develop practical and affordable high-tech products. We use robotics to deliver higher standards of living, and are helping to promote China's technological development.

We were the first company in China to launch a chain of robot restaurants, offering healthy, tasty, speedy, and affordable dining to all.

At building sites, our robots are improving safety and efficiency, and protecting the environment. We have also introduced smart security and service robots in our apartment complexes to deliver thoughtful, efficient, and comprehensive resident services.

We build good housing and good communities

For more than two decades, Country Garden has been China's leader in new urbanization. Just as a craftsman hones his skills, we have progressively improved our products to ensure that they are safe, healthy, attractive, affordable, functional, and durable. We have now brought modern living to over 1,200 towns and cities, and more than 4.5 million homeowners have chosen to build their lives in Country Garden developments. Our urban gardens and shopping plazas are a magnet for local residents, while our amenities and management services provide unparalleled convenience and security. We have embraced green construction and smart building technologies, and in our Forest City development we have created a new concept in 3D multi-layered urban planning. This huge project was named one of the "five new cities that are set to shake up the future" by Forbes.

We're revitalizing rural China with modern agriculture

Country Garden has made investments in modern agriculture, including leading agricultural technologies and machinery, to produce a wide selection of safe, tasty, and affordable foods and household products. We provide these products to families in our communities and across China, so that they can access affordable fresh food, and farmers can reap the full commercial benefits, with bigger harvests and bigger profits.

Make the world a better place for having us in it

For us, targeted poverty alleviation programs and rural revitalization are key parts of our business. Country Garden and its founder have donated over 6.7 billion yuan to charitable causes. We are actively engaged in targeted poverty relief and rural revitalization projects in 14 counties across 9 different provinces. These programs are helping to lift 337,000 people out of poverty.

Country Garden is a Fortune 500 company that has been publicly listed in Hong Kong since 2007 and is tracked as a component of the Hang Seng Index. We are also a major taxpayer: in the year 2019 alone, we contributed over 70.2 billion yuan in taxes. In Country Garden, ethics, corporate social responsibility, and transparency are vital. Going forward, we are committed to being a force for human progress.

Country Garden — Five-star living for you.

CONTENTS

2	Corporate Profile
4	Core Values
6	Chairman Statement
10	Business Overview
25	Management Discussion and Analysis
29	Corporate Governance and Other Information
41	Information for Shareholders
42	Interim Condensed Consolidated Statement of Financial Position
44	Interim Condensed Consolidated Income Statement
45	Interim Condensed Consolidated Statement of Comprehensive Income
46	Interim Condensed Consolidated Statement of Changes in Equity
48	Interim Condensed Consolidated Cash Flow Statement
50	Notes to the Interim Financial Information
84	Corporate Information
86	Glossary



CORPORATE PROFILE



— Country Garden — Headquarter, Foshan

Country Garden Holdings Company Limited (stock code: 2007.HK) is one of China's largest residential property developer that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. Country Garden offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of increasing the properties' value. The Group's other businesses are robotics and modern agriculture.

Country Garden was listed on the main board of the Stock Exchange on 20 April 2007. The listing has allowed the Group to tap the international capital market for funds to sustain its healthy growth in the future. Since its listing, Country Garden has been recognized by the market for its business performance. The Group became a constituent stock of MSCI Global Standard Indices on 1 September 2007, of Hang Seng Composite Index and Hang Seng Mainland 100 on 10 September 2007, of FTSE China 50 Index on 14 September 2016, of Hang Seng China (Hong Kong-listed) 25 Index on 12 June 2017, of Hang Seng China 50 Index on 5 March 2018, and of Hang Seng China Enterprises Index on 17 June 2019. Country Garden is also a constituent stock of Hang Seng Index. All this shows that the capital market regards Country Garden as a major component of the Hong Kong stock market. This has also strengthened the Group's position in the international capital markets.



— Country Garden — Taoyuanli, Taiyuan

Since its establishment, Country Garden has been benefitting from China's thriving economy. Its business presence has been extended from Guangdong province to other economically vibrant regions of the country. Country Garden had projects of property development and operation in a number of locations of strategic importance in all the provinces, municipalities and autonomous regions of the country by the end of 2018. The Group ranked 147th in Fortune Global 500 as of August 2020.

Looking ahead, Country Garden will continue to enhance and consolidate its various community-based businesses that centre around its real estate business. It will do so by means of financing and integrating community resources. Specifically, it will build businesses that can meet all the needs in the entire human life cycle. All this can unlock the value of all of the Group's businesses and serve to reinforce its market leadership.

CORE VALUES

To shape a prosperous future
through our conscience and
social responsibility awareness

3

The Trinity of
Business that Drives
the Company's
Development



Real Estate



Robotics



Modern
Agriculture





Mr. YEUNG Kwok Keung: Country Garden that I dreamed of

- ▶ This is an elitist company
- ▶ This is a good place for the talents
- ▶ This is a place to learn and make progress
- ▶ This is a harmonious big family
- ▶ This is a company of integrity and commitment, operating in compliance with laws and regulations
- ▶ This is a sensible company that constantly corrects itself
- ▶ This is a company of equality which rewards excellence
- ▶ This is a company that prospers and constantly betters itself with experiences and practices
- ▶ This is a company that creates lifestyle products for global markets
- ▶ This is a company that excels in social well being, corporate benefits and staff benefits
- ▶ This is a company that is highly recognized and appreciated by the society
- ▶ This is a company dedicates to the development of human society

01

Corporate Positioning

We are a high-tech conglomerate that provides good living worldwide

02

Corporate Mission

To create a better society with our existence

03

Corporate Spirit

To benefit people and the society

04

Service Concept

Five-star living for you

CHAIRMAN STATEMENT



Total revenue
approximately

RMB **184.96** billion



Gross profit
approximately

RMB **44.89** billion



Core net profit attributable to the owners
approximately

RMB **14.61** billion

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.



YEUNG KWOK KEUNG
Chairman

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 cash¹ 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 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", I have been working shoulder to shoulder with like-minded people towards a common goal: a better society. However, I also believe in letting

¹ It represents cash and bank deposits (including restricted cash).

CHAIRMAN STATEMENT



– Luoding Country Garden, Yunfu

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



— Songhu Country Garden — Diamond, Dongguan

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 my family and I, 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.

YEUNG Kwok Keung

*Country Garden Holdings Company Limited
Chairman*

Shunde, Guangdong, China, 25 August 2020

BUSINESS OVERVIEW

PROPERTY DEVELOPMENT

Contracted Sales

In the first half of 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..

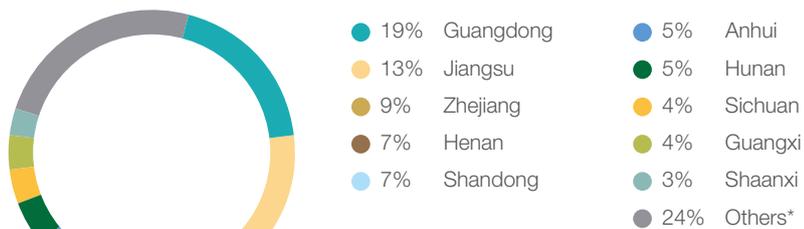
From 2016 to 2019, the attributable contracted sales compound annual growth rate was approximately 33.0%.

In the first half of 2020, the attributable contracted sales outside Guangdong Province was around 81% of that of the Group, reflecting the Group’s efforts in geographic diversification.

Attributable contracted sales (RMB billion)

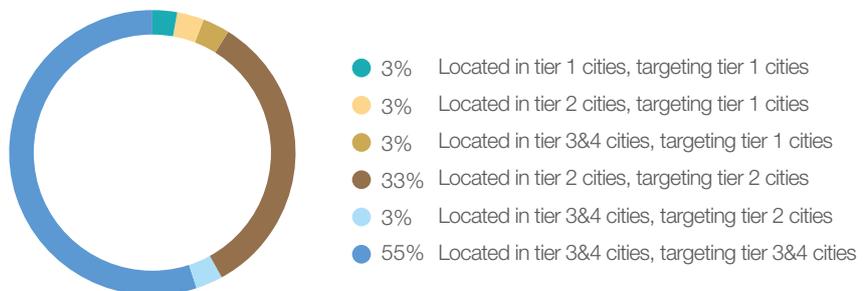


Geographical breakdown of contracted sales in the first half of 2020 (By Attributable Value)



Note: Others* include Hebei, Guizhou, Gansu, Hubei, Fujian, Liaoning, Jiangxi, Hainan, Tianjin, Yunnan, Chongqing, Shanxi, Qinghai, Inner Mongolia, Shanghai, Xinjiang, Ningxia, Jilin, Beijing, Heilongjiang, Tibet, Malaysia, Hong Kong, etc.

Contracted sales breakdown in Mainland China by city type in the first half of 2020 (By Attributable Value)



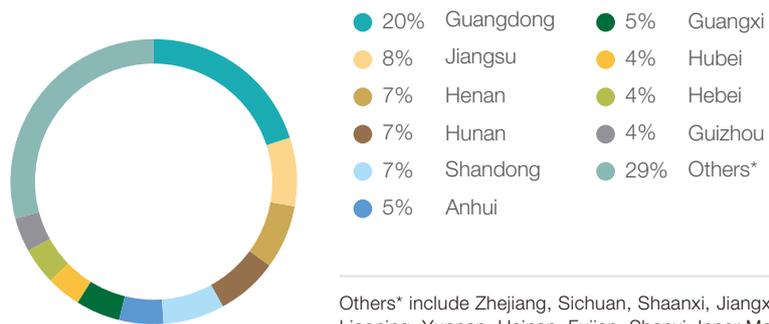


In terms of tier cities, around 55% of the attributable contracted sales in Mainland China was contributed by projects located in tier 3&4 cities targeting tier 3&4 cities, around 33% was contributed by projects located in tier 2 cities targeting tier 2 cities and 12% was contributed by the others.

Landbank – Mainland China

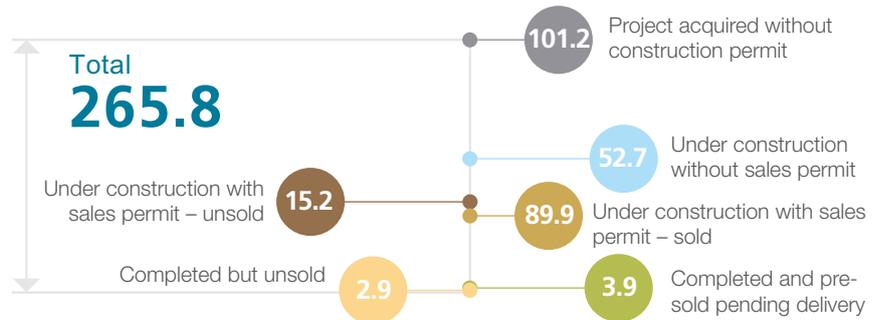
As of 30 June 2020, the acquired attributable GFA in Mainland China together with its joint venture and associates was 265.81 million sq.m.. 80% of the landbank was located outside of Guangdong province. By development stage around 59% of the landbank was under construction, and 35% was presold.

Landbank breakdown by province in Mainland China (By attributable GFA)



Others* include Zhejiang, Sichuan, Shaanxi, Jiangxi, Gansu, Liaoning, Yunnan, Hainan, Fujian, Shanxi, Inner Mongolia, Chongqing, Tianjin, Xinjiang, Qinghai, Jilin, Beijing, Ningxia, Shanghai, Heilongjiang, Tibet.

Attributable landbank GFA breakdown by development stage in Mainland China (million sq.m.)



BUSINESS OVERVIEW

Project Location

As of 30 June 2020, the Group operated 2,689 projects under different development stages, 2,662 of these projects were located in Mainland China and 27 were outside Mainland China.





As of 30 June 2020,
the Group's

2,662 projects

in Mainland China

were located as follows:



BUSINESS OVERVIEW

Top 100 projects with the highest attributable contracted sales in the first half of 2020 in Mainland China⁽¹⁾

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.	Total completed saleable GFA sq.m.	Completed property developments ⁽²⁾		Completion date
					Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	
1	Lanzhou Country Garden (蘭州碧桂園)	Lanzhou (Chengguan)	5,594,469	2,117,467	2,104,211	9,409	17-Oct-19
2	Country Garden — Southwest Uptown (碧桂園•西南上城)	Guiyang (Guanshanhu)	1,393,168	204,721	98,367	91,288	15-Jun-20
3	Country Garden — Phoenix City (碧桂園•鳳凰城)	Zhenjiang (Jurong)	6,696,977	3,530,456	3,520,829	2,318	20-Nov-19
4	Country Garden Urban Forest (碧桂園都市森林)	Changzhou (Wujin)	402,391				
5	Country Garden Wenlan Mansion (碧桂園文瀾豪庭)	Wenzhou (Pingyang)	242,944				
6	Country Garden Bowei (碧桂園泊蔚)	Ningbo (Cixi)	130,306				
7	Asian Games Town (亞運城)	Guangzhou (Panyu)	1,060,312	476,063	474,336	1,567	25-Dec-19
8	Country Garden — Jiyang Mansion (碧桂園•暨陽府)	Wuxi (Jiangyin)	682,348	297,805	294,035	-	6-Aug-19
9	Country Garden — Jiangwan Peninsula (碧桂園•江灣半島)	Quzhou (Kecheng)	109,567				
10	Anning Country Garden (安寧碧桂園)	Lanzhou (Anning)	373,535				
11	Suqian Country Garden (宿遷碧桂園)	Suqian (Susu Industrial Zone)	897,018	480,985	480,607	378	17-Jun-20
12	Country Garden — Emerald City (碧桂園•翡翠都會)	Changzhou (Xinbei)	134,781				
13	Country Garden Hill Lake City (碧桂園山湖城)	Qingyuan (Qingcheng)	1,986,450	1,400,331	1,321,321	73,310	30-Apr-20
14	Country Garden — Jiujintai (碧桂園•玖錦台)	Luoyang (Luolong)	188,665				
15	Country Garden Jinxi Mansion (碧桂園錦熙府)	Cangzhou (Cangxian)	185,832				
16	Country Garden — Longyue Lanting (碧桂園•龍悅蘭庭)	Xining (Chengzhong)	263,796				
17	Country Garden Lingnan Shengshi (碧桂園嶺南盛世)	Foshan (Chancheng)	219,770	115,057	114,023	664	13-Aug-19
18	Country Garden — City Impression (碧桂園•大城印象)	Shenyang (Yuhong)	676,270	91,762	81,810	5,632	3-Jun-20
19	Country Garden Lake International (碧桂園多湖國際)	Jinhua (Jindong)	98,576				
20	Country Garden — Yuchuan Mansion (碧桂園•禦川府)	Xining (Chengbei)	417,315				

BUSINESS OVERVIEW



Total saleable GFA under development sq.m.	Properties under development ⁽³⁾			Properties for future development ⁽⁴⁾		
	Total saleable GFA pre-sold sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date	GFA for future development sq.m.	Estimated pre-sale commencement date	Estimated completion date
925,303	672,676	17-Apr-19	4th Quarter,2022	2,551,699	4th Quarter,2020	4th Quarter,2025
1,119,994	714,193	21-Jun-18	4th Quarter,2023	68,453	4th Quarter,2020	4th Quarter,2023
857,165	410,000	25-Dec-18	4th Quarter,2022	2,309,356	4th Quarter,2020	4th Quarter,2025
136,331	86,063	25-Oct-19	4th Quarter,2022	266,060	3rd Quarter,2020	2nd Quarter,2024
242,944	140,413	23-Sep-19	1st Quarter,2023			
130,306	94,934	13-Dec-19	3rd Quarter,2022			
354,557	238,873	12-Sep-18	4th Quarter,2023	229,691	4th Quarter,2020	4th Quarter,2024
357,316	112,748	19-Jul-18	4th Quarter,2022	27,228	4th Quarter,2020	1st Quarter,2023
109,567	51,395	22-Nov-19	1st Quarter,2022			
291,061	100,341	22-Nov-19	3rd Quarter,2022	82,473	1st Quarter,2021	2nd Quarter,2023
414,362	167,521	26-Oct-18	3rd Quarter,2023	1,671	4th Quarter,2020	3rd Quarter,2023
124,929	69,294	28-Oct-19	4th Quarter,2022	9,852	4th Quarter,2020	4th Quarter,2022
586,118	255,857	27-Nov-18	4th Quarter,2023			
130,399	79,968	22-Jan-20	4th Quarter,2023	58,266	3rd Quarter,2020	4th Quarter,2023
184,821	81,439	1-Nov-19	4th Quarter,2023	1,011	4th Quarter,2020	4th Quarter,2023
139,541	97,736	22-Nov-19	2nd Quarter,2023	124,255	4th Quarter,2020	4th Quarter,2023
104,713	63,294	27-Jun-19	2nd Quarter,2022			
298,709	218,904	28-Sep-18	4th Quarter,2022	285,799	4th Quarter,2020	4th Quarter,2024
98,576	46,338	18-Nov-19	2nd Quarter,2022			
409,407	326,850	25-Jul-18	4th Quarter,2022	7,908	1st Quarter,2021	4th Quarter,2022

BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.	Completed property developments ⁽²⁾			Completion date
				Total completed saleable GFA sq.m.	Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	
21	Hohhot Country Garden (呼和浩特碧桂園)	Hohhot (New Town)	100,775				
22	Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,714,800	2,792,522	2,777,937	9,948	27-Mar-20
23	Country Garden — Yunzhu (碧桂園•雲著)	Qingdao (Shibei)	114,674				
24	Country Garden — Fengming Mansion (碧桂園•鳳鳴府)	Wuxi (Yixing)	76,034				
25	Country Garden Qiaochutang (碧桂園翹楚棠)	Loudi (Louxing)	280,852				
26	Country Garden Guangfo Uptown (碧桂園廣佛上城)	Foshan (Nanhai)	164,729				
27	Country Garden Splendid West Lake (碧桂園錦繡西湖)	Jinzhou (Taihe)	208,642				
28	Country Garden Lingjiang Mansion (碧桂園陵江府)	Yangzhou (Guangling)	165,746				
29	Country Garden — Boyue Tianjing (碧桂園•鉞悅天境)	Taizhou (Hailing)	150,240				
30	Country Garden — Guoyue Mansion (碧桂園•國嶽府)	Liaocheng (Jingkai District)	268,903				
31	Country Garden — Wenjing Mansion (碧桂園•文景府)	Xi'an (Weiyang)	120,118				
32	Country Garden — Ten Miles Beach Weigang Bay (碧桂園•十里銀灘維港灣)	Huizhou (Huidong)	864,801				
33	Country Garden — Phoenix City (碧桂園•鳳凰城)	Zhongshan (South District)	792,105	104,902	90,386	5,008	29-Jun-18
34	Country Garden — Central Peninsula (碧桂園•中央半島)	Haikou (Xinbu)	1,100,975	41,452	29,497	2,280	2-Sep-19
35	Feicui Hebin Garden (翡翠河濱雅院)	Suzhou (Wujiang)	92,436	12,810	11,278	1,531	12-Jun-20
36	Sihong Country Garden (泗洪碧桂園)	Suqian (Sihong)	120,634				
37	Country Garden — Phoenix City (碧桂園•鳳凰城)	Shanghai (Jinshan)	254,360				
38	Cisco Smart City (思科智慧城)	Guangzhou (Panyu)	523,934				
39	Country Garden — Central Peninsula Binhai International (碧桂園•中央半島濱海國際)	Haikou (Meilan)	398,042	49,297	28,508	15,158	23-Dec-19
40	Country Garden — Tongquetai (碧桂園•銅雀臺)	Dongguan (Machong)	189,559				
41	Anqing Country Garden (安慶碧桂園)	Anqing (Yingjiang)	2,791,584	2,171,139	2,171,030	-	13-Jun-19

BUSINESS OVERVIEW



Total saleable GFA under development sq.m.	Properties under development ⁽³⁾			Properties for future development ⁽⁴⁾			
	Total saleable GFA pre-sold sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date	GFA for future development sq.m.	Estimated pre-sale commencement date	Estimated completion date	
100,775	79,881	15-Nov-19	3rd Quarter,2022				
337,058	237,404	23-Jul-18	4th Quarter,2022	585,220	4th Quarter,2020	4th Quarter,2024	
114,674	52,190	15-Oct-19	2nd Quarter,2022				
76,034	44,499	18-Oct-19	2nd Quarter,2022				
240,156	165,725	24-Sep-19	3rd Quarter,2023	40,696	4th Quarter,2020	4th Quarter,2023	
164,729	53,900	26-Mar-19	4th Quarter,2022				
175,382	118,522	25-Sep-19	4th Quarter,2022	33,260	4th Quarter,2020	4th Quarter,2022	
165,746	46,392	19-Nov-19	4th Quarter,2022				
150,240	57,271	7-Apr-20	2nd Quarter,2023				
210,367	114,806	23-Nov-18	2nd Quarter,2023	58,536	4th Quarter,2020	4th Quarter,2023	
120,118	54,224	28-Feb-20	3rd Quarter,2022				
763,466	347,542	24-May-18	4th Quarter,2022	101,336	4th Quarter,2020	4th Quarter,2023	
281,473	246,995	29-Nov-18	4th Quarter,2022	405,730	4th Quarter,2020	4th Quarter,2025	
121,063	49,245	6-Nov-19	2nd Quarter,2023	938,460	4th Quarter,2020	4th Quarter,2025	
79,626	78,602	21-Dec-18	2nd Quarter,2022				
118,196	99,606	31-Oct-19	4th Quarter,2022	2,437	3rd Quarter,2020	4th Quarter,2022	
190,425	38,862	27-Sep-19	4th Quarter,2022	63,935	1st Quarter,2021	4th Quarter,2023	
151,021	38,440	23-Aug-19	3rd Quarter,2022	372,913	3rd Quarter,2020	4th Quarter,2023	
130,670	67,059	29-Mar-19	4th Quarter,2022	218,075	3rd Quarter,2021	3rd Quarter,2024	
61,205	51,189	9-Aug-19	2nd Quarter,2021	128,354	3rd Quarter,2020	4th Quarter,2022	
260,995	106,827	30-Oct-19	3rd Quarter,2022	359,450	3rd Quarter,2020	4th Quarter,2024	

BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.	Completed property developments ⁽²⁾			Completion date
				Total completed saleable GFA sq.m.	Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	
42	Country Garden — Jiangshan Mansion (碧桂園·疆山府)	Urumqi (Shaybak)	106,652				
43	Country Garden — Eco City (碧桂園·生態城)	Luzhou (Jiangyang)	1,742,946	925,029	902,334	-	10-Apr-20
44	Country Garden Golden Era (碧桂園黃金時代)	Huaibei (Xiangshan)	308,179				
45	Country Garden — Phoenix City (碧桂園·鳳凰城)	Qiannan (Longli)	780,766				
46	Taicang Wanda South Country Garden (太倉萬達南碧桂園)	Suzhou (Taicang)	87,010				
47	Country Garden — Gongyuan Uptown (碧桂園·公園上城)	Haikou (Longhua)	151,994				
48	Country Garden Taoyuanli (碧桂園桃源里)	Taiyuan (Yingze)	147,692				
49	Country Garden — Wuzhou City (碧桂園·伍洲城)	Chaozhou (Fengxi)	114,620				
50	Country Garden Light of City (碧桂園都會之光)	Suqian (Suyu)	141,408				
51	Country Garden — Taoli Jiangshan (碧桂園·桃李江山)	Nantong (Tongzhou)	116,320				
52	Country Garden — Phoenix City (碧桂園·鳳凰城)	Meizhou (Wuhua)	997,893	152,925	150,226	2,577	11-Dec-19
53	Country Garden — Junyue (碧桂園·珺悅)	Shaoxing (Xinchang)	121,119				
54	Country Garden — Tianning Yuanzhu (碧桂園·天凝源著)	Jiaxing (Jiashan)	97,392				
55	Country Garden — Haichang Tianlan (碧桂園·海昌天瀾)	Chengdu (Shuangliu)	536,775	358,345	343,877	6,208	4-Jun-20
56	Country Garden — Spring Blossoms (碧桂園·春暖花開)	Fuyang (Linquan)	154,625				
57	Country Garden — Golden Age (碧桂園·黃金時代)	Xinyang (Yangshan New District)	170,435				
58	Country Garden — Huai Mansion (碧桂園·淮府)	Huaian (Qingjiangpu)	177,085				
59	Country Garden — Ten Miles Jiangshan (碧桂園·十里江山)	Nantong (Rudong)	141,334				
60	Country Garden — Fengyuetai (碧桂園·鳳悅台)	Meizhou (Xingning)	314,731				
61	Country Garden — Yuelanting (碧桂園樾瀾庭)	Cangzhou (Botou)	77,408				
62	Xin'an Country Garden (新安碧桂園)	Luoyang (Yibin)	291,745				
63	Country Garden — Phoenix Villa (碧桂園·鳳凰山莊)	Yantai (Laishan)	445,387	90,488	2,774	80,113	7-Apr-20

BUSINESS OVERVIEW



Total saleable GFA under development sq.m.	Properties under development ⁽³⁾			Properties for future development ⁽⁴⁾		
	Total saleable GFA pre-sold sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date	GFA for future development sq.m.	Estimated pre-sale commencement date	Estimated completion date
106,652	73,491	23-Sep-19	2nd Quarter,2022			
208,845	114,404	12-Sep-19	3rd Quarter,2022	609,072	3rd Quarter,2021	2nd Quarter,2025
300,902	127,314	20-Sep-19	1st Quarter,2023	7,277	3rd Quarter,2020	1st Quarter,2023
286,458	167,442	14-Jun-19	4th Quarter,2023	494,308	4th Quarter,2020	4th Quarter,2025
87,010	26,142	10-Jun-20	3rd Quarter,2022			
151,994	89,718	25-Oct-19	4th Quarter,2022			
145,272	103,754	23-Sep-19	4th Quarter,2022	2,420	3rd Quarter,2020	4th Quarter,2022
114,620	78,346	12-Sep-19	3rd Quarter,2022			
78,860	62,672	28-Nov-19	3rd Quarter,2023	62,548	3rd Quarter,2020	4th Quarter,2023
41,817	37,782	26-Mar-20	2nd Quarter,2022	74,503	3rd Quarter,2020	4th Quarter,2022
570,514	289,051	26-Nov-18	2nd Quarter,2023	274,453	4th Quarter,2020	4th Quarter,2024
121,119	89,752	22-Jul-19	2nd Quarter,2022			
97,392	86,478	28-Sep-18	2nd Quarter,2022			
178,431	158,159	10-Sep-18	2nd Quarter,2021			
154,625	115,153	12-Sep-19	2nd Quarter,2022			
170,435	53,801	26-Dec-19	2nd Quarter,2023			
122,061	65,736	4-Dec-19	2nd Quarter,2023	55,025	4th Quarter,2020	4th Quarter,2023
141,334	100,940	6-Jun-19	4th Quarter,2022			
200,217	58,115	24-Dec-19	4th Quarter,2022	114,515	1st Quarter,2021	4th Quarter,2023
77,408	63,090	27-Sep-19	3rd Quarter,2023			
155,743	109,221	2-Jun-20	3rd Quarter,2023	136,001	4th Quarter,2020	2nd Quarter,2024
205,201	130,647	22-Mar-19	4th Quarter,2022	149,698	4th Quarter,2020	4th Quarter,2023

BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.	Completed property developments ⁽²⁾			Completion date
				Total completed saleable GFA sq.m.	Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	
64	Country Garden City Garden (碧桂園城市花園)	Maoming (Dianbai)	2,358,813	993,073	951,253	41,489	29-Jul-19
65	Country Garden — Binjiang No. 1 (碧桂園•濱江壹號)	Wenzhou (Lucheng)	43,500				
66	Country Garden Times City (碧桂園時代城)	Zhengzhou (Guancheng District)	216,948				
67	Country Garden Twin Star City (碧桂園雙子星城)	Foshan (Sanshui)	361,657				
68	Country Garden — Longyue Bay (碧桂園•瓏樾灣)	Dazhou (Tongchuan)	241,045				
69	Country Garden Phoenix Tianyu (碧桂園鳳凰天域)	Baotou (Qingshan)	200,085				
70	Xiangyuan Country Garden (襄垣碧桂園)	Changzhi (Xiangyuan)	204,805				
71	Country Garden — Zishan Mansion (碧桂園•梓山府)	Yiyang (Gaoxin District)	636,787	141,723	140,589	1,134	20-Apr-20
72	Country Garden — Jade Bay (碧桂園•翡翠灣)	Xuzhou (Pizhou)	272,533				
73	Country Garden — Tiancheng (碧桂園•天城)	Putian (Xianyou)	144,300				
74	Country Garden Huyue Tianjing (碧桂園湖悅天境)	Tai'an (Xintai)	170,404				
75	Country Garden Phoenix City (碧桂園鳳凰城)	Baoji (Gaoxin District)	1,034,436	127,275	126,300	712	29-May-20
76	Country Garden Jinyu Mansion (碧桂園錦禦府)	Chengdu (Chenghua)	52,373				
77	Dianbai Country Garden (電白碧桂園)	Maoming (Dianbai)	250,638				
78	Country Garden Center (碧桂園中心)	Tianjin (Beichen)	98,726				
79	Country Garden — Binjiang Tianji (碧桂園•濱江天際)	Jiangmen (Pengjiang)	105,035				
80	Country Garden — Tianyu Longyue (碧桂園•天譽瓏樾)	Cangzhou (Qingxian)	60,398				
81	Country Garden — Yonghua Mansion (碧桂園雍華府)	Tangshan (Zunhua)	264,266				
82	Country Garden — Wangjiangtai (碧桂園•望江台)	Hangzhou (Jiande)	114,020	114,020	92,907	15,464	27-Apr-20
83	Jiujiang Country Garden King's Landing One (九江碧桂園君臨壹品)	Foshan (Jiujiang)	152,101				
84	Country Garden — Central Park (碧桂園•中央公園)	Zhenjiang (Jurong)	685,245	214,151	208,160	838	5-Jun-20
85	Country Garden — Yunhe Chenzhang (碧桂園•運河宸章)	Shaoxing (Yuecheng)	127,757				

BUSINESS OVERVIEW



Total saleable GFA under development sq.m.	Properties under development ⁽³⁾			Properties for future development ⁽⁴⁾			
	Total saleable GFA pre-sold sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date	GFA for future development sq.m.	Estimated pre-sale commencement date	Estimated completion date	
216,192	123,398	31-Jan-19	4th Quarter,2022	1,149,548	4th Quarter,2020	4th Quarter,2025	
43,500	9,463	19-May-20	4th Quarter,2022				
204,558	54,555	30-Sep-19	2nd Quarter,2023	12,390	3rd Quarter,2020	2nd Quarter,2023	
335,506	134,012	26-Nov-18	4th Quarter,2022	26,151	1st Quarter,2021	4th Quarter,2022	
223,788	64,276	1-Nov-19	2nd Quarter,2023	17,256	1st Quarter,2021	2nd Quarter,2023	
146,357	51,255	18-Oct-19	3rd Quarter,2022	53,728	4th Quarter,2020	2nd Quarter,2023	
204,805	55,739	27-Sep-19	3rd Quarter,2023				
408,776	313,336	5-Jan-18	4th Quarter,2022	86,288	4th Quarter,2020	4th Quarter,2023	
272,533	206,471	23-Nov-18	4th Quarter,2022				
144,300	86,694	4-Sep-19	2nd Quarter,2023				
82,086	48,881	20-Dec-19	4th Quarter,2022	88,317	4th Quarter,2020	4th Quarter,2023	
419,842	117,391	27-Jun-18	2nd Quarter,2023	487,319	3rd Quarter,2021	2nd Quarter,2025	
52,373	28,964	21-Jan-20	2nd Quarter,2023				
224,653	106,312	16-Apr-19	3rd Quarter,2022	25,986	4th Quarter,2020	3rd Quarter,2022	
77,568	26,634	13-Dec-19	2nd Quarter,2022	21,157	4th Quarter,2020	3rd Quarter,2022	
105,035	89,200	30-Sep-18	1st Quarter,2022				
60,398	48,089	27-Sep-19	3rd Quarter,2023				
180,439	88,602	14-Oct-19	2nd Quarter,2023	83,827	4th Quarter,2020	4th Quarter,2023	
152,101	95,252	28-Mar-19	2nd Quarter,2022				
114,176	84,806	29-May-19	4th Quarter,2021	356,917	4th Quarter,2020	3rd Quarter,2022	
127,757	111,473	25-May-18	4th Quarter,2022				

BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.	Completed property developments ⁽²⁾			Completion date
				Total completed saleable GFA sq.m.	Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	
86	Yunxi Mansion (雲熙望府)	Shaoxing (Shangyu)	70,853				
87	Country Garden — Chun Cheng Image (碧桂園•春城映象)	Kunming (Wuhua)	201,912				
88	Country Garden — Light of City (碧桂園•城市之光)	Huzhou (Wuxing)	147,261				
89	Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	1,124,636	841,939	791,538	27,278	15-Jun-20
90	Country Garden — East Garden (碧桂園•東園)	Kunming (Guandu)	247,909				
91	Country Garden Boyu Mansion (碧桂園鉅譽府)	Tianjin (Baodi)	115,553				
92	Country Garden — Gongyuan Uptown (碧桂園•公園上城)	Lanzhou (Anning)	187,878				
93	Country Garden — Binjiang Era (碧桂園•濱江時代)	Jiangmen (Pengjiang)	77,364				
94	Shaoguan Country Garden — Sun City (韶關碧桂園•太陽城)	Shaoguan (Xilian)	3,535,365	1,875,748	1,862,120	8,576	17-Apr-20
95	Cixi Hangzhou Bay Project (慈溪杭州灣項目)	Ningbo (Cixi)	491,566				
96	Country Garden — Tianyue Bay (碧桂園•天悅灣)	Yunfu (Luoding)	207,364				
97	Country Garden Runyang Valley (碧桂園•潤楊溪谷)	Huizhou (Huiyang)	822,302	282,793	277,684	1,327	29-Jun-20
98	Urumqi Country Garden (烏魯木齊碧桂園)	Urumqi (Midong)	561,483				
99	Country Garden — Longteng Shijia (碧桂園•龍騰世家)	Kunming (Wuhua)	325,670				
100	Xing'an League Country Garden (興安盟碧桂園)	Xing'an League (Keyouqianqi)	991,462	645,901	644,330	1,038	13-Mar-20

Note:

- (1) All the GFAs displayed in this section are attributable to the owners of the Company.
- (2) Based on the measurement reports from relevant government departments.
- (3) Based on the actual measurements by the project management department of the Group.
- (4) "GFA for future development" for each project is the GFA expected to be built.

BUSINESS OVERVIEW



Total saleable GFA under development sq.m.	Properties under development ⁽³⁾			Properties for future development ⁽⁴⁾			
	Total saleable GFA pre-sold sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date	GFA for future development sq.m.	Estimated pre-sale commencement date	Estimated completion date	
43,474	21,960	5-Dec-19	4th Quarter,2022	27,379	4th Quarter,2020	4th Quarter,2023	
125,937	68,322	20-May-19	4th Quarter,2022	75,975	4th Quarter,2020	2nd Quarter,2023	
147,261	96,626	19-Oct-18	2nd Quarter,2022				
282,697	72,515	21-Jun-19	4th Quarter,2023				
177,151	125,813	17-Jan-19	4th Quarter,2022	70,759	1st Quarter,2021	4th Quarter,2022	
115,553	34,122	29-Sep-19	3rd Quarter,2022				
187,878	72,163	12-Oct-19	2nd Quarter,2023				
77,364	58,344	23-Aug-19	4th Quarter,2022				
428,292	360,557	26-Oct-18	4th Quarter,2022	1,231,325	4th Quarter,2020	4th Quarter,2025	
446,562	240,385	29-Sep-18	3rd Quarter,2022	45,005	3rd Quarter,2020	3rd Quarter,2022	
140,142	48,998	17-Mar-20	3rd Quarter,2023	67,221	4th Quarter,2020	4th Quarter,2023	
98,572	72,059	29-Jun-18	3rd Quarter,2022	440,937	4th Quarter,2020	4th Quarter,2024	
347,913	311,826	11-Aug-18	2nd Quarter,2022	213,570	3rd Quarter,2020	3rd Quarter,2023	
250,055	145,958	6-Dec-18	1st Quarter,2023	75,615	4th Quarter,2020	2nd Quarter,2023	
332,034	169,672	23-Oct-18	4th Quarter,2023	13,526	2nd Quarter,2021	4th Quarter,2023	

BUSINESS OVERVIEW

Landbank GFA breakdown by location in Mainland China⁽¹⁾

Province/ Location	Aggregate saleable GFA sq.m.	Completed property developments ⁽²⁾			Properties under development ⁽³⁾		Properties for future development ⁽⁴⁾
		Total completed saleable GFA sq.m.	Total saleable GFA sold and delivered sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	Total saleable GFA under development sq.m.	Total saleable GFA pre-sold sq.m.	GFA for future development sq.m.
Guangdong	128,316,989	76,671,597	74,807,684	1,275,267	27,592,606	12,347,876	24,052,786
Jiangsu	45,617,949	23,864,802	23,119,417	420,438	13,138,462	7,611,940	8,614,685
Anhui	33,645,846	20,682,320	20,195,504	242,306	9,084,408	6,061,455	3,879,118
Hunan	29,687,174	10,512,980	10,314,158	89,631	11,785,631	7,391,631	7,388,563
Henan	24,557,635	4,898,410	4,693,937	143,595	13,886,963	8,095,295	5,772,262
Shandong	23,116,217	4,758,215	4,523,736	167,973	10,522,718	6,145,501	7,835,284
Hubei	20,901,000	10,869,368	10,634,641	178,288	6,380,368	3,499,108	3,651,264
Guangxi	18,252,029	5,979,325	5,878,425	58,851	8,733,093	5,433,519	3,539,611
Zhejiang	16,172,197	7,171,689	6,451,471	257,135	7,582,140	4,838,962	1,418,368
Guizhou	14,333,295	4,973,915	4,579,236	367,412	6,368,850	4,021,660	2,990,530
Hebei	12,814,969	3,103,258	2,947,160	59,269	5,454,619	2,987,621	4,257,092
Liaoning	12,596,914	7,783,465	7,559,993	158,886	2,165,550	1,204,170	2,647,899
Sichuan	12,338,533	3,799,510	3,705,550	46,263	6,028,467	3,597,224	2,510,556
Shaanxi	9,097,767	1,739,020	1,732,858	1,804	4,819,709	2,492,534	2,539,038
Fujian	8,659,937	4,557,983	4,456,178	30,344	3,065,233	1,835,443	1,036,721
Gansu	8,122,468	2,979,193	2,894,826	70,849	2,278,991	1,411,746	2,864,284
Jiangxi	8,065,465	2,818,650	2,702,837	97,558	3,500,546	2,292,310	1,746,269
Hainan	7,384,882	3,136,590	2,706,951	47,063	1,640,680	764,385	2,607,612
Yunnan	5,843,064	838,600	817,649	4,925	2,968,163	1,793,785	2,036,301
Chongqing	5,624,463	2,643,979	2,564,228	36,915	1,969,694	1,138,975	1,010,790
Inner Mongolia	4,807,912	1,651,417	1,585,116	63,384	1,058,886	649,822	2,097,609
Shanxi	4,400,268	377,326	359,354	3,891	2,078,924	1,057,970	1,944,018
Tianjin	4,287,965	1,474,305	1,399,616	34,762	1,479,301	766,336	1,334,359
Xinjiang	2,655,411				1,113,657	724,257	1,541,754
Qinghai	1,339,588	211,499	206,866	4,023	995,927	823,933	132,162
Jilin	1,263,906	248,132	211,874	11,889	621,648	242,924	394,126
Ningxia	1,085,580	337,996	294,355	18,730	516,453	361,857	231,131
Shanghai	999,294	311,105	273,927	15,658	483,231	105,970	204,958
Beijing	887,857	41,668	24,757	16,830	349,010	108,890	497,179
Heilongjiang	786,728	442,229	429,385	668	96,190	28,488	248,309
Tibet	221,283				65,707	35,535	155,576
Total	467,884,585	208,878,546	202,071,689	3,924,607	157,825,825	89,871,122	101,180,214

Note:

- (1) All the GFAs displayed in this section are attributable to the owners of the Company.
(2) Based on the measurement reports from relevant government departments.
(3) Based on the actual measurements by the project management department of the Group.
(4) "GFA for future development" for each project is the GFA expected to be built.



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.

MANAGEMENT DISCUSSION AND ANALYSIS

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



MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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 schemes, details can be referred in the sections headed "SHARE OPTION SCHEMES" and "EMPLOYEE INCENTIVE SCHEME" in "CORPORATE GOVERNANCE AND OTHER INFORMATION" of the interim report.

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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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, save and except for the code provision E.1.2 of the Corporate Governance 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 2020 AGM due to the travel restrictions then in place as a result of the novel Coronavirus (COVID-19) epidemic.

BOARD OF DIRECTORS

The composition of the Board as at the date of this interim report is set out below:

Executive Directors

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan (*Co-Chairman*)
Mr. MO Bin (*President*)
Ms. YANG Ziyang
Mr. YANG Zhicheng
Mr. SONG Jun
Mr. SU Baiyuan

Non-executive Director

Mr. CHEN Chong

Independent Non-executive Directors

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung
Mr. HUANG Hongyan
Mr. TO Yau Kwok

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

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.

CHANGES SINCE DATE OF 2019 ANNUAL REPORT

Pursuant to rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) between the date of the Company’s 2019 annual report and up to the date of this report are set out below:

Directors’ Information	Appointment (effective date)	Cessation (effective date)
Mr. YEUNG Kwok Keung		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) – Chairman of Environmental, Social and Governance Committee 	12 May 2020	–
Ms. YANG Huiyan		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) – Member of Environmental, Social and Governance Committee 	12 May 2020	–
Mr. MO Bin		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) – Member of Environmental, Social and Governance Committee 	12 May 2020	–
Mr. LAI Ming, Joseph		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) – Member of Environmental, Social and Governance Committee 	12 May 2020	–



CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' Information	Appointment (effective date)	Cessation (effective date)
Mr. SHEK Lai Him, Abraham		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) <ul style="list-style-type: none"> — Member of Environmental, Social and Governance Committee 	12 May 2020	–
<ul style="list-style-type: none"> • Hop Hing Group Holdings Limited (Stock Code: 47) <ul style="list-style-type: none"> — Independent non-executive director 	–	2 June 2020
<ul style="list-style-type: none"> • The Hong Kong University of Science and Technology <ul style="list-style-type: none"> — Member of the court — Honorary member of the court 	– 1 August 2020	1 August 2020 –
<ul style="list-style-type: none"> • Landing International Development Limited (Stock Code: 582) <ul style="list-style-type: none"> — Independent non-executive director 	14 August 2020	–
Mr. TONG Wui Tung		
<ul style="list-style-type: none"> • Country Garden Holdings Company Limited (Stock Code: 2007) <ul style="list-style-type: none"> — Member of Environmental, Social and Governance Committee 	12 May 2020	–

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2020, the Directors and chief executive of the Company had the following interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage to total issued Shares as at 30 June 2020	Amount of debentures held
Mr. YEUNG Kwok Keung	Interest of controlled corporation	-	-	-	-	USD591,000,000 ¹
Ms. YANG Huiyan	Interest of controlled corporation	12,600,868,919 ²	-	12,600,868,919	57.60%	-
Mr. MO Bin	Beneficial owner	68,054,572	-	68,054,572	0.31%	USD25,000,000
Ms. YANG Ziying	Interest of controlled corporation	-	-	-	-	USD18,000,000 ³
Mr. YANG Zhicheng	Beneficial owner	-	7,811,776 ⁴	7,811,776	0.03%	-
Mr. SONG Jun	Beneficial owner	-	6,467,671 ⁴	6,467,671	0.02%	-
Mr. SU Baiyuan	Beneficial owner	446,778	2,159,013 ⁴	2,605,791	-	-
	Interest of spouse	429,922 ⁵	-	429,922	-	-
				3,035,713	0.01%	
Mr. CHEN Chong	Interest of spouse	12,600,868,919 ⁶	-	12,600,868,919	57.60%	-
Mr. LAI Ming, Joseph	Beneficial owner	1,034,806	-	1,034,806	0.01%	-
Mr. SHEK Lai Him, Abraham	Beneficial owner	1,060,155	-	1,060,155	0.01%	-
Mr. TONG Wui Tung	Beneficial owner	1,014,786	-	1,014,786	0.01%	-

Notes:

- The amount of debentures represents the debentures held by Fine Nation Group Limited in which Mr. YEUNG Kwok Keung beneficially owns the entire issued share capital.
- These Shares represent Shares held by Concrete Win Limited in which Ms. YANG Huiyan beneficially owns the entire issued share capital.
- The amount of debentures represents the debentures held by Shiny Dragon Assets Limited in which Ms. YANG Ziying beneficially owns the entire issued share capital.
- The relevant interests are unlisted physically settled options granted pursuant to the Share Option Schemes. Upon exercise of the share options in accordance with the Share Option Schemes, ordinary shares of HKD0.10 each in the share capital of the Company are issuable. The share options are personal to the respective Directors. Further details of the share options are set out in the "CORPORATE GOVERNANCE AND OTHER INFORMATION — SHARE OPTION SCHEMES" of this interim report.
- These Shares represent Shares held by Ms. LIU Qing who is the spouse of Mr. SU Baiyuan.
- These Shares represent Shares held by Ms. YANG Huiyan who is the spouse of Mr. CHEN Chong.

Save as disclosed above, during the six months ended 30 June 2020, none of Directors, their spouse or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.



INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2020, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors or chief executive of the Company, had long positions of 5% or more in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity	Number of ordinary Shares held	Percentage of total issued Shares ¹ as at 30 June 2020
Concrete Win Limited	Beneficial owner	12,600,868,919 ²	57.60%
Ping An Insurance (Group) Company of China, Ltd.	Interest of controlled corporation	1,951,053,750 ³	8.91% ³
Ping An Life Insurance Company of China, Ltd.	Beneficial owner	1,947,066,000 ^{3,4}	8.90% ^{3,4}

Notes:

- As at 30 June 2020, the total number of the issued Shares is 21,873,074,541 Shares.
- These Shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
- Ping An Insurance (Group) Company of China, Ltd. is a joint stock limited company incorporated in the PRC, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 2318) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601318). Ping An Insurance (Group) Company of China, Ltd. is deemed to be interested in the 1,951,053,750 Shares (held and managed by its indirectly wholly-owned subsidiary, Ping An of China Asset Management (Hong Kong) Company Limited as investment manager), of which 1,947,066,000 Shares were beneficially owned by its 99.51% owned subsidiary, Ping An Life Insurance Company of China, Ltd.. Disclosure of the number of ordinary Shares held is made pursuant to the last Disclosure of Interests notice as of 30 June 2020 (date of relevant event: 14 February 2018).
- These Shares are beneficially owned by Ping An Life Insurance Company of China, Ltd.. Disclosure of the number of ordinary Shares held is made pursuant to the last Disclosure of Interests notice as of 30 June 2020 (date of relevant event: 14 February 2018).

Save as disclosed above, the Company has not been notified by any other person (other than the Directors and chief executive of the Company) who had an interest or short positions of 5% or more in the Shares and underlying Shares as of 30 June 2020 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEMES

On 20 March 2007, the 2007 Share Option Scheme was approved and adopted by the then Shareholders for a period of 10 years commencing on the adoption date. The 2007 Share Option Scheme has expired on 19 March 2017.

In view of the expiry of the 2007 Share Option Scheme on 19 March 2017, the 2017 Share Option Scheme was approved and adopted by the Shareholders at 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 2017 Share Option Scheme, the Board may, at its discretion, grant share options to any eligible person to subscribe for the Shares 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 relevant grant dates of approximately RMB157 million were granted to eligible persons in accordance with the terms of the 2017 Share Option Scheme.

(a) During the six months ended 30 June 2020, details of movements in the share options under the 2007 Share Option Scheme are as follows:

Category and name of grantees	Options to subscribe for Shares					Outstanding at 30 June 2020	Exercise price per Share HKD	Date of grant	Exercisable period
	Outstanding at 1 January 2020	Granted during the period ¹	Exercised during the period	Cancelled during the period	Lapsed during the period				
Directors									
Mr. YANG Zhicheng	1,515,933	-	-	-	-	1,515,933	4.773	13.12.2013	13.12.2018-12.12.2023
	1,509,074	-	-	-	-	1,509,074	3.332	16.03.2016	16.03.2021-15.03.2026
	525,597	-	-	-	-	525,597	3.106	11.05.2016	11.05.2021-10.05.2026
	449,031	-	-	-	-	449,031	3.740	19.08.2016	19.08.2021-18.08.2026
Mr. SONG Jun	736,487	-	-	-	-	736,487	3.332	16.03.2016	16.03.2021-15.03.2026
	1,074,264	-	-	-	-	1,074,264	3.106	11.05.2016	11.05.2021-10.05.2026
	816,050	-	-	-	-	816,050	3.740	19.08.2016	19.08.2021-18.08.2026
Sub-total	6,626,436	-	-	-	-	6,626,436			
Employees of the Group	1,185,882	-	-	-	924,634	261,248	4.773	13.12.2013	13.12.2018-12.12.2023
Sub-total	1,185,882	-	-	-	924,634	261,248			
Other participant²	186,342	-	-	-	-	186,342	3.332	16.03.2016	16.03.2021-15.03.2026
Sub-total	186,342	-	-	-	-	186,342			
Total	7,998,660	-	-	-	924,634	7,074,026			

Notes:

- During the six months ended 30 June 2020, no share options were granted by the Company in accordance with the terms of the 2007 Share Option Scheme.
- The "other participant" is a former Director.

CORPORATE GOVERNANCE AND OTHER INFORMATION



(b) During the six months ended 30 June 2020, details of movements in the share options under the 2017 Share Option Scheme are as follows:

Category and name of grantees	Options to subscribe for Shares					Outstanding at 30 June 2020	Exercise price per Share HKD	Date of grant ²	Exercisable period
	Outstanding at 1 January 2020	Granted during the period ¹	Exercised during the period	Cancelled during the period	Lapsed during the period				
Directors									
Mr. MO Bin	9,825,134	-	9,825,134 ³	-	-	-	11.092	05.12.2019	05.12.2019-04.12.2029
	-	18,587,411	18,587,411 ³	-	-	-	9.030	30.03.2020	30.03.2020-29.03.2030
Mr. YANG Zhicheng	484,454	-	-	-	-	484,454	8.250	22.05.2017	22.05.2022-21.05.2027
	495,084	-	-	-	-	495,084	10.100	24.08.2017	24.08.2022-23.08.2027
	205,255	-	-	-	-	205,255	12.980	08.12.2017	08.12.2022-07.12.2027
	434,145	-	-	-	-	434,145	9.654	06.12.2018	06.12.2023-05.12.2028
	348,158	-	-	-	-	348,158	12.044	25.03.2019	25.03.2024-24.03.2029
	429,995	-	-	-	-	429,995	12.408	09.05.2019	09.05.2024-08.05.2029
	744,899	-	-	-	-	744,899	9.834	23.08.2019	23.08.2024-22.08.2029
	432,848	-	-	-	-	432,848	11.092	05.12.2019	05.12.2024-04.12.2029
-	237,303	-	-	-	237,303	10.040	12.05.2020	12.05.2025-11.05.2030	
Mr. SONG Jun	1,157,991	-	-	-	-	1,157,991	8.250	22.05.2017	22.05.2022-21.05.2027
	483,325	-	-	-	-	483,325	10.100	24.08.2017	24.08.2022-23.08.2027
	454,562	-	-	-	-	454,562	12.980	08.12.2017	08.12.2022-07.12.2027
	421,667	-	-	-	-	421,667	16.460	21.03.2018	21.03.2023-20.03.2028
	258,092	-	-	-	-	258,092	16.280	10.05.2018	10.05.2023-09.05.2028
	202,300	-	-	-	-	202,300	12.240	22.08.2018	22.08.2023-21.08.2028
	185,762	-	-	-	-	185,762	9.654	06.12.2018	06.12.2023-05.12.2028
	66,723	-	-	-	-	66,723	12.044	25.03.2019	25.03.2024-24.03.2029
	294,537	-	-	-	-	294,537	9.834	23.08.2019	23.08.2024-22.08.2029
	206,292	-	-	-	-	206,292	11.092	05.12.2019	05.12.2024-04.12.2029
-	109,619	-	-	-	109,619	10.040	12.05.2020	12.05.2025-11.05.2030	
Mr. SU Baiyuan	1,135,435	-	-	-	-	1,135,435	8.250	22.05.2017	22.05.2022-21.05.2027
	526,868	-	-	-	-	526,868	16.460	21.03.2018	21.03.2023-20.03.2028
	320,165	-	-	-	-	320,165	12.408	09.05.2019	09.05.2024-08.05.2029
	-	176,545	-	-	-	176,545	10.040	12.05.2020	12.05.2025-11.05.2030
Sub-total	19,113,691	19,110,878	28,412,545	-	-	9,812,024			
Other participant⁵	117,526	-	-	-	-	117,526	8.250	22.05.2017	22.05.2022-21.05.2027
Sub-total	117,526	-	-	-	-	117,526			
Total	19,231,217	19,110,878	28,412,545	-	-	9,929,550			

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. During the six months ended 30 June 2020, share options of 19,110,878 Shares were granted to eligible persons in accordance with the terms of the 2017 Share Option Scheme.
2. The closing price of the Shares immediately before the date of grant of 30 March 2020 and 12 May 2020 was HKD9.09 and HKD10.24 respectively.
3. The weighted average closing price of these Shares immediately before 23 January 2020 and 1 April 2020 (the dates on which the relevant share options were exercised) was HKD10.037.
4. The total value of the share options granted under the 2017 Share Option Scheme are not fully recognized in the financial statements of the Company until they are vested. The Directors consider that it is not appropriate to disclose the value of the share options granted to the participants during the period, since any valuation of such share options would be subject to a number of assumptions that would be subjective and uncertain.
5. The "other participant" is a former Director.

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of 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 of 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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 SGX. As at the date of this report, 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 report, 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 16 and 17 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 report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

On 8 December 2016, the Company, as the borrower, entered into a facility agreement (the **“2016 Facility Agreement”**) with, Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Agricultural Bank of China Limited Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited, Chong Hing Bank Limited, Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China Everbright Bank Co., Ltd. Hong Kong Branch, Wing Lung Bank, Limited, Malayan Banking Berhad, Tai Fung Bank Limited and Nanyang Commercial Bank, Limited as original lenders (the **“2016 Original Lenders”**), Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2016 Original Lenders have agreed to make available a dual tranche transferable term loan facilities denominated in HKD and USD in the amount of HKD3,790 million and USD1,014 million, representing an aggregate amount equivalent to approximately USD1.5 billion (the **“2016 Loans”**) to the Company for a term of four years commencing from the date of the 2016 Facility Agreement. The 2016 Loans obtained under the 2016 Facility Agreement shall be applied by the Company for its general corporate purposes (including repayment and/or prepayment of any other financial indebtedness owed by the Company or any member of the Group), including any bridging loan or pre-funding finance arrangement in relation to the 2016 Loans. Pursuant to the terms of the 2016 Facility Agreement, among others, the Company has undertaken to ensure that each of Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, directly or indirectly, must (i) individually or collectively remain the largest beneficial owner of the entire issued share capital of the Company; (ii) in aggregate, remain the beneficial owners of not less than 40% of the entire issued share capital of the Company; and (iii) retain control of the Company. Failure to comply with any of the above undertakings will constitute an event of default under the 2016 Facility Agreement.

On 17 October 2017, the Company, as the borrower, entered into a facility agreement (the **“2017 First Facility Agreement”**) with, inter alia, various banks and financial institutions as lenders (the **“2017 First Facility Lenders”**), China Construction Bank Corporation, Hong Kong Branch, as the facility agent, pursuant to which the 2017 First Facility Lenders have agreed to make available a dual tranche transferable term loan facility denominated in HKD and USD in an amount of HKD2,454 million and USD945 million (increased from USD935 million to USD945 million with effect from 17 January 2018 as allowed by the terms of the 2017 First Facility Agreement), respectively (collectively, the **“2017 First Loans”**) to the Company for a term of four years commencing from the date of the 2017 First Facility Agreement. The 2017 First Loans obtained under the 2017 First Facility Agreement shall be applied by the Company for financing the general corporate purposes of the Group. Pursuant to the terms of the 2017 First Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2017 First Facility Agreement.

CORPORATE GOVERNANCE AND OTHER INFORMATION



On 27 December 2017, the Company, as the borrower, entered into a facility agreement (the **“2017 Second Facility Agreement”**) with BNP Paribas as the original lender (the **“2017 Second Facility Original Lender”**), pursuant to which the 2017 Second Facility Original Lender has agreed to make available a term loan facility in an amount of HKD1,781 million (the **“2017 Second Facility”**) to the Company for a term of 36 months commencing from the date of the 2017 Second Facility Agreement. The 2017 Second Facility obtained under the 2017 Second Facility Agreement shall be applied by the Company towards the finance or refinancing of (i) the acquisition by Country Garden (Hong Kong) Development Company Limited (**“CG Hong Kong”**), a wholly-owned subsidiary of the Company, of 12.35% interests of a company incorporated under the laws of the Cayman Islands (the **“Target Company”**); and (ii) the subscription of 4.21% interests of the Target Company by CG Hong Kong. Pursuant to the terms of the 2017 Second Facility Agreement, among others, (i) the Company shall own the entire issued share capital in CG Hong Kong; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company, whether directly or indirectly; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iv) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (v) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2017 Second Facility Agreement.

On 28 December 2018, the Company, as the borrower, entered into a facility agreement (the **“2018 Facility Agreement”**) with, inter alia, various banks and financial institutions as lenders (the **“2018 Lenders”**), Industrial and Commercial Bank of China (Asia) Limited as the facility agent and The Hongkong and Shanghai Banking Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited as the mandated lead arrangers and bookrunners and coordinators, pursuant to which the 2018 Lenders have agreed to make available a dual tranche transferable term loan facility denominated in HKD and USD in an amount of HKD3,970 million (increased from HKD3,470 million to HKD3,970 million with effect from 19 March 2019 as allowed by the term of the 2018 Facility Agreement) and USD560.5 million (increased from USD486 million to USD560.5 million with effect from 15 January 2019 as allowed by the term of the 2018 Facility Agreement), respectively (collectively, the **“2018 Loans”**) to the Company for a term of 36 months commencing from the date of the 2018 Facility Agreement for the Tranche A1 Facility (as defined in the 2018 Facility Agreement) and Tranche A2 Facility (as defined in the 2018 Facility Agreement) and 24 months commencing from the date of the 2018 Facility Agreement for the Tranche B1 Facility (as defined in the 2018 Facility Agreement) and Tranche B2 Facility (as defined in the 2018 Facility Agreement). The 2018 Loans to be obtained under the 2018 Facility Agreement shall be applied by the Company for refinancing any existing indebtedness of the Group. Pursuant to the terms of the 2018 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2018 Facility Agreement.

CORPORATE GOVERNANCE AND OTHER INFORMATION

On 23 July 2019, the Company, as the borrower, entered into a facility agreement (the “**2019 Facility Agreement**”) with various financial institutions as original lenders (the “**2019 Original Lenders**”), Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2019 Original Lenders have agreed to make available a dual tranche transferable term loan facilities with a greenshoe option denominated in HKD and USD in an amount of HKD4,300 million and USD826 million (increased from USD626 million to USD826 million with effect from 23 October 2019 as allowed by the term of the 2019 Facility Agreement), respectively (collectively, the “**2019 Loans**”) to the Company for a term of 48 months commencing from the date of the 2019 Facility Agreement. The 2019 Loans to be obtained under the 2019 Facility Agreement shall be applied by the Company for refinancing any other existing offshore financial indebtedness owed by the Company or any member of the Group and financing costs and expenses to be incurred under the 2019 Facility Agreement. Pursuant to the terms of the 2019 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2019 Facility Agreement.

On 24 April 2020, the Company, as the borrower, entered into a facility agreement (the “**2020 Facility Agreement**”) with BNP Paribas as original lender (the “**2020 Original Lender**”), pursuant to which the 2020 Original Lender has agreed to make available a term loan facility in an amount of USD140 million (the “**2020 Loan**”) to the Company for a term of 36 months commencing from the date of the 2020 Facility Agreement. The 2020 Loan to be obtained under the 2020 Facility Agreement shall be applied by the Company for refinancing any other existing offshore financial indebtedness owed by the Company or any member of the Group and financing costs and expenses to be incurred under the 2020 Facility Agreement. Pursuant to the terms of the 2020 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; and (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company. Failure to comply with any of the above requirements will constitute a prepayment event under the 2020 Facility Agreement.



INFORMATION FOR SHAREHOLDERS

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 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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2020 RMB million	Audited 31 December 2019 RMB million
Non-current assets			
Property, plant and equipment	7	24,676	24,240
Investment properties	7	12,621	12,923
Intangible assets		1,236	745
Right-of-use assets		4,339	4,447
Properties under development	8	105,890	134,150
Investments in joint ventures	9	37,397	34,954
Investments in associates	10	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	11	16,532	14,056
Deferred income tax assets		30,724	27,031
		256,679	275,635
Current assets			
Properties under development	8	932,849	810,300
Completed properties held for sale		49,417	45,781
Inventories		9,029	11,781
Trade and other receivables	11	446,648	438,195
Contract assets and contract acquisition costs	12	21,873	24,020
Prepaid income tax		28,202	24,712
Restricted cash	13	16,743	19,363
Cash and cash equivalents	13	188,779	248,985
Financial assets at fair value through profit or loss	14	12,219	7,933
Derivative financial instruments		831	447
		1,706,590	1,631,517
Current liabilities			
Contract liabilities		685,818	646,996
Trade and other payables	15	620,580	594,548
Receipts under securitisation arrangements		–	279
Current income tax liabilities		34,044	40,367
Senior notes	16	7,430	7,343
Corporate bonds	17	29,202	28,850
Convertible bonds		22	22
Bank and other borrowings	18	69,164	80,057
Lease liabilities		240	258
Derivative financial instruments		1	32
Dividend payable	25	7,492	–
		1,453,993	1,398,752
Net current assets		252,597	232,765
Total assets less current liabilities		509,276	508,400

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



	Note	Unaudited 30 June 2020 RMB million	Audited 31 December 2019 RMB million
Non-current liabilities			
Senior notes	16	63,153	57,550
Corporate bonds	17	21,012	17,550
Convertible bonds		5,764	5,495
Bank and other borrowings	18	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	19	30,013	29,751
Other reserves	20	12,028	12,472
Retained earnings	20	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

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June	
		2020 RMB million	2019 RMB million
Revenue	6	184,957	202,006
Cost of sales	22	(140,070)	(147,150)
Gross profit		44,887	54,856
Other income and gains — net	21	1,880	1,656
Gains arising from changes in fair value of and transfer to investment properties	7	3	16
Selling and marketing costs	22	(6,894)	(9,098)
Administrative expenses	22	(6,574)	(9,571)
Research and development expenses	22	(1,030)	(620)
Net impairment losses on financial and contract assets		(854)	(973)
Operating profit		31,418	36,266
Finance income	23	2,508	1,506
Finance costs	23	(622)	(601)
Finance income — net	23	1,886	905
Share of results of joint ventures and associates	9,10	2,583	2,317
Profit before income tax		35,887	39,488
Income tax expenses	24	(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	26	0.66	0.73
Diluted	26	0.63	0.71

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
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

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						
	Attributable to owners of the Company					Non-controlling interests RMB million	Total equity RMB million
	Share capital and premium RMB million (note 19)	Other reserves RMB million (note 20)	Retained earnings RMB million (note 20)	Total RMB million			
Balance at 1 January 2020	29,751	12,472	109,716	151,939	66,669	218,608	
Comprehensive income for the six months ended 30 June 2020							
Profit for the period	–	–	14,132	14,132	7,794	21,926	
Other comprehensive income	–	(280)	–	(280)	80	(200)	
Total comprehensive income for the six months ended 30 June 2020	–	(280)	14,132	13,852	7,874	21,726	
Transactions with owners in their capacity as owners							
Capital injections from non-controlling interests	–	–	–	–	1,063	1,063	
Dividend	–	–	(7,492)	(7,492)	(218)	(7,710)	
Employee share option scheme:							
– Value of employee services	–	216	–	216	–	216	
– Exercise of employee share schemes	262	(9)	–	253	–	253	
Non-controlling interests arising from business combinations (note 29)	–	–	–	–	1,991	1,991	
Disposals of subsidiaries (note 28)	–	(91)	91	–	(341)	(341)	
Changes in ownership interests in subsidiaries without change of control	–	(280)	–	(280)	(530)	(810)	
Total transactions with owners	262	(164)	(7,401)	(7,303)	1,965	(5,338)	
Balance at 30 June 2020	30,013	12,028	116,447	158,488	76,508	234,996	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					
	Attributable to owners of the Company					
	Share capital and premium RMB million (note 19)	Other reserves RMB million (note 20)	Retained earnings RMB million (note 20)	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2019	27,881	8,247	85,202	121,330	52,078	173,408
Comprehensive income for the six months ended 30 June 2019						
Profit for the period	–	–	15,635	15,635	7,422	23,057
Other comprehensive income	–	156	33	189	(4)	185
Total comprehensive income for the six months ended 30 June 2019	–	156	15,668	15,824	7,418	23,242
Transactions with owners in their capacity as owners						
Capital injections from non-controlling interests	–	–	–	–	1,412	1,412
Transfer to statutory reserves	–	32	(32)	–	–	–
Dividend	–	–	(6,563)	(6,563)	(196)	(6,759)
Employee share option scheme:						
– Value of employee services	–	179	–	179	–	179
– Exercise of employee share schemes	144	(9)	–	135	–	135
Redemption of convertible bonds upon maturity	–	(220)	220	–	–	–
Non-controlling interests arising from business combinations	–	–	–	–	931	931
Disposals of subsidiaries	–	(59)	59	–	(6,159)	(6,159)
Changes in ownership interests in subsidiaries without change of control	–	(45)	–	(45)	(9)	(54)
Total transactions with owners	144	(122)	(6,316)	(6,294)	(4,021)	(10,315)
Balance at 30 June 2019	28,025	8,281	94,554	130,860	55,475	186,335

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Unaudited Six months ended 30 June	
		2020	2019
	Note	RMB million	RMB million
Cash flows from operating activities			
Cash generated from operations		21,785	34,347
Income tax paid		(26,771)	(23,037)
Interest paid		(11,086)	(9,502)
Net cash (used in)/generated from operating activities		(16,072)	1,808
Cash flows from investing activities			
Net cash inflow/(outflow) on acquisitions of subsidiaries	29	2,885	(440)
Proceeds from disposals of property, plant and equipment		518	–
Net cash outflow on disposals of subsidiaries	28	(2,159)	(5,607)
Purchases of property, plant and equipment		(1,216)	(1,723)
Payments for investment properties		(21)	(177)
Purchases of intangible assets		(323)	(30)
Purchases of right-of-use assets		(16)	(1,831)
Net increase in payments related to investments in joint ventures		(2,227)	(1,620)
Net increase in payments related to investments in associates		(285)	(178)
Dividend income from joint ventures and associates		66	–
Net increase in deposits and advances related to equity transactions		(2,781)	(24,834)
Repayments from loans to third parties		3	680
Payments for financial assets at fair value through other comprehensive income		(188)	(830)
Proceeds from disposals of financial assets at fair value through other comprehensive income		4	140
Payments for financial assets at fair value through profit or loss		(12,563)	(14,604)
Proceeds from disposals of financial assets at fair value through profit or loss		8,184	11,660
Interest received		2,245	1,506
Net cash used in investing activities		(7,874)	(37,888)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Unaudited	
		Six months ended 30 June	
		2020	2019
		RMB million	RMB million
Cash flows from financing activities			
Capital injections from non-controlling interests		1,063	1,412
Net proceeds from transactions with non-controlling interests		(810)	(54)
Exercise of employee share schemes		–	135
Issue of senior notes	16	10,675	16,765
Repayment of senior notes	16	(6,233)	(1,723)
Issue of corporate bonds		5,640	4,374
Repayment of corporate bonds		(2,700)	(100)
Redemption of convertible bonds		–	(7,869)
Settlement of derivative financial instruments		122	(122)
Repayment of receipts under securitisation arrangements		(279)	(244)
Principal elements of lease payments		(163)	(23)
Dividends paid to non-controlling interests		(218)	(196)
Proceeds from bank and other borrowings		59,191	42,923
Repayments of bank and other borrowings		(102,641)	(39,277)
Net cash (used in)/generated from financing activities		(36,353)	16,001
Net decrease in cash and cash equivalents		(60,299)	(20,079)
Cash and cash equivalents at the beginning of the period		248,985	228,343
Exchange gains on cash and cash equivalents		93	58
Cash and cash equivalents at the end of the period		188,779	208,322

The above interim condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 General information

Country Garden Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding, and the Company and its subsidiaries (collectively, the “Group”) are principally engaged in the property development, construction, property investment, and hotel operation businesses.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

This interim financial information is presented in Renminbi (“RMB”), unless otherwise stated, and was approved by the Board of Directors of the Company for issue on 25 August 2020. This interim financial information has not been audited.

The outbreak of the 2019 Novel Coronavirus (“COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group, mainly including the delay to the construction and delivery of property units and affecting the selling activities etc. Since the outbreak of COVID-19, the Group has been keeping continuous attention on the situation of the COVID-19 and reacting actively to its impact on the financial position and operating results of the Group. As at the date that the interim financial information is authorised for issue, the impact of COVID-19 to the financial position and operating results is temporary and not material.

2 Basis of preparation

This interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim Financial Reporting’. This interim financial information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2019 (“2019 Financial Statements”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements under the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.



NOTES TO THE INTERIM FINANCIAL INFORMATION

3 Significant accounting policies

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 become 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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

4 Judgements and estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2019 Financial Statements.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (mainly including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2019 Financial Statements.

There have been no significant changes in any risk management policies since the last year end.

NOTES TO THE INTERIM FINANCIAL INFORMATION



5 Financial risk management *(Continued)*

5.2 Liquidity risk

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the date of statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest, if applicable.

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
Unaudited					
At 30 June 2020					
Senior notes	10,584	13,195	41,719	22,620	88,118
Bank and other borrowings	81,186	96,170	55,252	6,639	239,247
Corporate bonds	30,331	13,353	9,384	184	53,252
Convertible bonds	322	322	7,474	–	8,118
Trade and other payables (excluding other taxes payable and salaries payable)	563,169	–	–	–	563,169
Dividend payable	7,492	–	–	–	7,492
Derivative financial instruments	1	10	1,871	–	1,882
Lease liabilities	265	160	217	60	702
Total	693,350	123,210	115,917	29,503	961,980

NOTES TO THE INTERIM FINANCIAL INFORMATION

5 Financial risk management *(Continued)*5.2 Liquidity risk *(Continued)*

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
Audited					
At 31 December 2019					
Senior notes	10,198	9,649	38,672	22,569	81,088
Bank and other borrowings	96,261	132,663	51,777	2,817	283,518
Corporate bonds	29,781	12,856	6,244	–	48,881
Convertible bonds	316	316	7,330	–	7,962
Receipts under securitisation arrangements	286	–	–	–	286
Trade and other payables (excluding other taxes payable and salaries payable)	532,772	–	–	–	532,772
Derivative financial instruments	32	44	2,788	–	2,864
Lease liabilities	310	182	267	454	1,213
Total	669,956	155,710	107,078	25,840	958,584



NOTES TO THE INTERIM FINANCIAL INFORMATION

5 Financial risk management *(Continued)*

5.3 Fair value estimation

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value.

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
At 30 June 2020				
Assets				
Financial assets at fair value through other comprehensive income ("FVOCI")	35	–	3,097	3,132
Derivative financial instruments	–	2,907	–	2,907
Financial assets at fair value through profit or loss ("FVTPL")	187	10,647	1,385	12,219
Total	222	13,554	4,482	18,258
Liabilities				
Derivative financial instruments	–	1,882	–	1,882
At 31 December 2019				
Assets				
Financial assets at FVOCI	63	–	3,219	3,282
Derivative financial instruments	–	3,095	–	3,095
Financial assets at FVTPL	195	7,738	–	7,933
Total	258	10,833	3,219	14,310
Liabilities				
Derivative financial instruments	–	2,864	–	2,864

NOTES TO THE INTERIM FINANCIAL INFORMATION

5 Financial risk management *(Continued)*5.3 Fair value estimation *(Continued)*

The following table presents the changes in level 3 financial instruments for the period ended 30 June 2020 and 2019:

	Six months ended 30 June	
	2020 RMB million	2019 RMB million
At 1 January	3,219	1,702
Additions	1,619	830
Fair value changes	(352)	90
Disposals	(4)	(112)
At 30 June	4,482	2,510

There is no unrealised gain or loss recognised in profit or loss in the current period (2019: nil) attributable to balances held at the end of the reporting period.

There were no transfers among level 1, 2 and 3 during the period.

There were no changes in valuation techniques during the period.

The investments mainly represent equity investments in various investment fund companies, investment holding companies, venture capital fund companies and other unlisted companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price or recent transaction prices of similar deals.



NOTES TO THE INTERIM FINANCIAL INFORMATION

6 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 FVOCI and financial assets at 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	2019
	RMB million	RMB million
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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 Revenue and segment information (Continued)

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

	Property development RMB million	Construction RMB million	Others RMB million	Total RMB million
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

NOTES TO THE INTERIM FINANCIAL INFORMATION



6 Revenue and segment information *(Continued)*

	Property development RMB million	Construction RMB million	Others RMB million	Total RMB million
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

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 Revenue and segment information *(Continued)*

Reportable segment results are reconciled to profit before income tax as follows:

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
Total segment results	33,878	38,456
Changes in fair value of derivative financial instruments	123	127
Finance income — net	1,886	905
Profit before income tax	35,887	39,488

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	30 June	31 December
	2020	2019
	RMB million	RMB million
Total segment assets after elimination of inter-segment balances	1,929,638	1,877,026
Derivative financial instruments	2,907	3,095
Deferred income tax assets	30,724	27,031
Total assets	1,963,269	1,907,152
Total segment liabilities after elimination of inter-segment balances	1,307,130	1,242,668
Receipts under securitisation arrangements	—	279
Current income tax liabilities	34,044	40,367
Senior notes	70,583	64,893
Corporate bonds	50,214	46,400
Convertible bonds	5,786	5,517
Bank and other borrowings	215,458	252,793
Derivative financial instruments	1,882	2,864
Dividend payable	7,492	—
Deferred income tax liabilities	35,684	32,763
Total liabilities	1,728,273	1,688,544



NOTES TO THE INTERIM FINANCIAL INFORMATION

7 Property, plant and equipment and investment properties

	Property, plant and equipment RMB million	Investment properties RMB million
Six months ended 30 June 2020		
Opening net book amount at 1 January 2020	24,240	12,923
Acquisition of subsidiaries (note 29)	390	165
Other additions	1,609	21
Transfer from properties under development and completed properties held for sale	–	410
Revaluation gains upon transfers	–	331
Fair value changes	–	(328)
Transfer to properties under development	–	(492)
Disposals of subsidiaries	(246)	(409)
Other disposals	(509)	–
Depreciation	(743)	–
Exchange differences	(65)	–
Closing net book amount at 30 June 2020	24,676	12,621

The Group's investment properties were valued at transfer or business acquisition dates, and at 30 June 2020 and 31 December 2019 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent and professionally qualified valuer who hold recognised relevant professional qualifications and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates the highest and best use.

There were no changes to the valuation techniques during the period.

The Group's policy is to recognise change of fair value hierarchy levels as of the date of event or change in circumstances that caused the change. At 30 June 2020 and 31 December 2019, the Group only had investment properties measured at Level 3 valuation.

NOTES TO THE INTERIM FINANCIAL INFORMATION

8 Properties under development

	30 June 2020 RMB million	31 December 2019 RMB million
Properties under development expected to be completed and delivered:		
– Within one operating cycle included under current assets	932,849	810,300
– Beyond one operating cycle included under non-current assets	105,890	134,150
	1,038,739	944,450
Amounts comprise:		
– Construction costs including depreciation and staff cost capitalised	515,604	448,359
– Land costs	494,467	472,920
– Borrowings costs capitalised	28,668	23,171
	1,038,739	944,450

One operating cycle of the Group's property development generally ranges from one to two years.

At 30 June 2020, properties under development included the costs to fulfil those contracts, revenue of which was recognised over time amounting to RMB16,065 million (31 December 2019: RMB21,807 million).

The capitalisation rate used to determine the amount of interest on general borrowings incurred eligible for capitalisation for the six months ended 30 June 2020 was 6.44% per annum (six months ended 30 June 2019: 6.42% per annum). Most of the properties under development are located in Mainland China.



NOTES TO THE INTERIM FINANCIAL INFORMATION

9 Investments in joint ventures

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
At 1 January	34,954	27,891
Additions	1,732	4,407
Disposals	(140)	(1,451)
Dividends	(42)	–
Share of results	893	1,313
– Gains arising from negative goodwill	–	50
– Others	893	1,263
At 30 June	37,397	32,160

The balance comprises the following:

	30 June	31 December
	2020	2019
	RMB million	RMB million
Unlisted investments		
– Share of net assets	36,965	34,512
– Goodwill	432	442
	37,397	34,954

Additions during the period mainly included the acquisitions of shares in a number of property development companies, the investments in a number of newly established property development companies together with certain third parties, and the investment in certain property development companies over which the Group lost control as a result of partial disposals of the Group's interests in these companies. None of the acquisitions was individually significant to the Group.

The goodwill arose from the acquisitions of properties development companies, which is mainly attributable to economies of scale expected from the acquisitions.

As at 30 June 2020, certain borrowings of joint ventures were guaranteed by the Group and/or secured by the Group's certain interests in joint ventures with an aggregate carrying value of RMB3,807 million (31 December 2019: RMB5,448 million).

NOTES TO THE INTERIM FINANCIAL INFORMATION

10 Investments in associates

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
At 1 January	17,159	18,768
Additions	691	281
Disposals	(1,387)	(328)
Dividends	(97)	–
Share of results	1,690	1,004
At 30 June	18,056	19,725

None of the acquisition was individually significant to the Group.

As at 30 June 2020, certain borrowings of the Company and associates were guaranteed by the Group and/or secured by the Group's certain interests in associates with an aggregate carrying value of RMB2,857 million (31 December 2019: RMB3,164 million).

11 Trade and other receivables

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



NOTES TO THE INTERIM FINANCIAL INFORMATION

11 Trade and other receivables *(Continued)*

(a) Details of trade receivables are as follows:

	30 June 2020	31 December 2019
	RMB million	RMB million
Trade receivables	37,699	40,034
Less: allowance for impairment	(194)	(171)
Trade receivables — net	37,505	39,863

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
	RMB million	RMB million
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
	37,699	40,034

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

11 Trade and other receivables *(Continued)*

(b) Details of other receivables are as follows:

	30 June 2020 RMB million	31 December 2019 RMB million
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
	306,624	300,267
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.

12 Contract assets and contract acquisition costs

Details of contract assets and contract acquisition costs are as follows:

	30 June 2020 RMB million	31 December 2019 RMB million
Contract assets related to sales of properties	8,233	10,422
Contract assets related to construction services	4,640	4,500
Contract acquisition costs	9,000	9,098
Total contract assets and contract acquisition costs	21,873	24,020



NOTES TO THE INTERIM FINANCIAL INFORMATION

13 Cash and cash equivalents

	30 June 2020 RMB million	31 December 2019 RMB million
Cash at banks and on hand	204,935	265,798
Short-term bank deposits (note (a))	587	2,550
	205,522	268,348
Less: restricted cash (note (b))	(16,743)	(19,363)
	188,779	248,985

- (a) The short-term bank deposits are denominated in RMB and have terms ranging within 3 months (31 December 2019: within 3 months). The effective interest rate of these deposits as at 30 June 2020 was 1.50% per annum (31 December 2019: 1.45% per annum).
- (b) In accordance with relevant government requirements, certain property development companies of the Group are required to place in designated bank accounts certain amount of pre-sale proceeds as guarantee deposits for the constructions of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained. Unused guarantee deposits will be released after the completion of construction of the related properties.
- (c) Cash and bank deposits are denominated in the following currencies:

	30 June 2020 RMB million	31 December 2019 RMB million
RMB	198,231	259,193
HKD	682	969
USD	2,982	3,086
RM	2,597	4,294
Other currencies	1,030	806
	205,522	268,348

The conversion of RMB and RM denominated balances into other currencies and the remittance of bank balances and cash out of the PRC and Malaysia are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC and Malaysian governments.

NOTES TO THE INTERIM FINANCIAL INFORMATION

14 Financial assets at fair value through profit or loss

	30 June 2020 RMB million	31 December 2019 RMB million
Equity investments	1,572	195
Wealth management products (note (a))	10,647	7,738
	12,219	7,933

- (a) Wealth management products are mainly investments in financial products issued by certain financial institutions. The fair values of these investments approximated their carrying values as at 30 June 2020 and 31 December 2019.

15 Trade and other payables

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

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

	30 June 2020 RMB million	31 December 2019 RMB million
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
	353,728	329,305

- (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.

NOTES TO THE INTERIM FINANCIAL INFORMATION



16 Senior notes

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
At 1 January	64,893	41,716
Additions (note (a))	10,675	16,765
Repayment upon maturity (note (a))	(6,233)	(1,723)
Interest expenses	2,220	1,723
Coupon interest paid	(1,936)	(1,396)
Currency translation differences	964	380
At 30 June	70,583	57,465
Less: current portion included in current liabilities	(7,430)	(7,038)
Included in non-current liabilities	63,153	50,427

(a) During the period ended 30 June 2020, the Group has newly issued and repaid senior notes as follows:

Name of notes	Par value USD million	Interest rate	Issue date	Term of the notes
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

(b) As at 30 June 2020, all senior notes are listed on the Singapore Exchange Securities Trading Limited, and contain various early redemption options and put option.

Early redemption options exercisable by the Group are regarded as embedded derivatives not closely related to the host contract. The directors of the Company consider that the fair value of the above early redemption options was insignificant on initial recognition and at 30 June 2020 and 31 December 2019.

Except for the above early redemption options, the holders of the 2026 Notes have a put option to request the Company to repurchase the 2026 Notes on 15 December 2021 at the price equal to 100% of the principal amounts of the 2026 Notes. The directors of the Company consider that the fair value of this put option was insignificant on initial recognition and at 30 June 2020 and 31 December 2019.

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 Corporate bonds

	Six months ended 30 June	
	2020 RMB million	2019 RMB million
At 1 January	46,400	41,908
Additions (note (a))	9,940	4,374
Repayment	(7,000)	(100)
Interest expenses	1,405	1,358
Coupon interest paid	(514)	(210)
Currency translation differences	(17)	6
At 30 June	50,214	47,336
Less: current portion included in current liabilities	(29,202)	(28,098)
Included in non-current liabilities	21,012	19,238

- (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 RMB million	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 (note (b))	166	5.70%	2 March 2020	7 years
RM Private Corporate bonds of Malaysia Country Garden issued in 2020 – tranche VI (note (b))	166	4.75%	2 March 2020	1 year
RM Private Corporate bonds of Malaysia Country Garden issued in 2020 – tranche VII (note (b))	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.

** The corporate bonds are listed on the Shanghai Stock Exchange.

- (b) Certain corporate bonds issued by the Group contain a debt component, put option and coupon rate adjustment options. Debt component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The directors of the Company consider that the fair values of the above coupon rate adjustment options and put option were insignificant on initial recognition and at 30 June 2020 and 31 December 2019.



NOTES TO THE INTERIM FINANCIAL INFORMATION

18 Bank and other borrowings

	30 June 2020 RMB million	31 December 2019 RMB million
Included in non-current liabilities:		
— Secured	106,594	133,637
— Unsecured	82,104	95,879
Less: current portion of non-current liabilities	(42,404)	(56,780)
	146,294	172,736
Included in current liabilities:		
— Secured	14,495	11,237
— Unsecured	12,265	12,040
Current portion of non-current liabilities	42,404	56,780
	69,164	80,057
Total bank and other borrowings	215,458	252,793

The Group's borrowings as at 30 June 2020 of RMB121,089 million (31 December 2019: RMB144,874 million) were secured by the Group's equity investment interests and/or certain properties, right-of-use assets and equipment of the Group with total carrying values of RMB86,228 million (31 December 2019: RMB91,728 million).

The weighted average effective interest rates is 6.45% per annum for the six months ended 30 June 2020 (six months ended 30 June 2019: 6.54% per annum).

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

	30 June 2020 RMB million	31 December 2019 RMB million
RMB	165,285	201,638
HKD	15,733	15,803
USD	26,707	26,747
RM	3,190	2,625
Other	4,543	5,980
	215,458	252,793

NOTES TO THE INTERIM FINANCIAL INFORMATION

19 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	100,000	10,000					
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	21,660	2,166	2,033	28,344	30,377	(2,352)	28,025
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	21,873	2,187	2,052	30,270	32,322	(2,309)	30,013

NOTES TO THE INTERIM FINANCIAL INFORMATION

20 Other reserves and retained earnings

	Other reserves										Retained earnings	Total
	Merger reserve	Statutory reserve	Share option reserve	FVOCI reserve	Translation reserve	Revaluation reserve	Cash flow hedge reserve	Deferred costs of hedging reserve	Others	Total other reserves		
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million		
Balance at 1 January 2020	(150)	11,030	1,044	272	(1,101)	960	(15)	(157)	589	12,472	109,716	122,188
Profit for the period	-	-	-	-	-	-	-	-	-	-	14,132	14,132
2019 final dividend (note 25)	-	-	-	-	-	-	-	-	-	-	(7,492)	(7,492)
Employee share schemes												
– Value of employee services	-	-	216	-	-	-	-	-	-	216	-	216
– Exercise of employee share schemes	-	-	(9)	-	-	-	-	-	-	(9)	-	(9)
Change in fair value of financial assets at FVOCI	-	-	-	(289)	-	-	-	-	-	(289)	-	(289)
Changes in ownership interests in subsidiaries without change of control	-	-	-	-	-	-	-	-	(280)	(280)	-	(280)
Currency translation differences	-	-	-	-	32	-	-	-	-	32	-	32
Disposals of subsidiaries	-	-	-	-	-	(91)	-	-	-	(91)	91	-
Deferred losses on cash flow hedges	-	-	-	-	-	-	(240)	-	-	(240)	-	(240)
Deferred gains of hedging	-	-	-	-	-	-	-	217	-	217	-	217
Balance at 30 June 2020	(150)	11,030	1,251	(17)	(1,069)	869	(255)	60	309	12,028	116,447	128,475
Balance at 1 January 2019	(150)	7,257	717	110	(563)	869	21	(644)	630	8,247	85,202	93,449
Profit for the period	-	-	-	-	-	-	-	-	-	-	15,635	15,635
Transfer to statutory reserves	-	32	-	-	-	-	-	-	-	32	(32)	-
2018 final dividend	-	-	-	-	-	-	-	-	-	-	(6,563)	(6,563)
Employee share schemes												
– Value of employee services	-	-	179	-	-	-	-	-	-	179	-	179
– Exercise of employee share schemes	-	-	(9)	-	-	-	-	-	-	(9)	-	(9)
Change in fair value of financial assets at FVOCI	-	-	-	72	-	-	-	-	-	72	-	72
Disposals of fair value of financial assets at FVOCI	-	-	-	(33)	-	-	-	-	-	(33)	33	-
Effect of redemption of convertible bond upon maturity	-	-	-	-	-	-	-	-	(220)	(220)	220	-
Changes in ownership interests in subsidiaries without change of control	-	-	-	-	-	-	-	-	(45)	(45)	-	(45)
Disposals of subsidiaries	-	(59)	-	-	-	-	-	-	-	(59)	59	-
Currency translation differences	-	-	-	-	(345)	-	-	-	-	(345)	-	(345)
Deferred losses on cash flow hedges	-	-	-	-	-	-	(65)	-	-	(65)	-	(65)
Deferred gains of hedging	-	-	-	-	-	-	-	527	-	527	-	527
Balance at 30 June 2019	(150)	7,230	887	149	(908)	869	(44)	(117)	365	8,281	94,554	102,835

NOTES TO THE INTERIM FINANCIAL INFORMATION

21 Other income and gains – net

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
Other income		
– Management and other related service income	651	718
– Forfeiture income	113	39
– Government subsidy income	139	32
	903	789
Other gains		
– Gains arising from negative goodwill (note 29)	438	87
– Gains on disposals of subsidiaries (note 28)	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
	977	867
Total other income and gains – net	1,880	1,656

22 Expenses by nature

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
Costs of properties sold	138,313	145,624
Employee benefit expenses	7,241	9,802
Advertising and promotion costs	1,945	2,480
Sales commission to agents	1,734	1,814
Other taxes and levies	1,434	1,545
Property management and other services expenses	594	531
Depreciation of property, plant and equipment	517	461
Donations	429	601
Depreciation of right-of-use assets	201	67
Amortisation of intangible assets	120	37
Others	2,040	3,477
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	154,568	166,439



NOTES TO THE INTERIM FINANCIAL INFORMATION

23 Finance income – net

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

24 Income tax expenses

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

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2019:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) Mainland China corporate income tax has been provided at corporate income tax rate of 25%.
- (c) Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land and all property development expenditures.
- (d) Withholding income tax is provided on the dividends to be distributed by the Mainland China subsidiaries of the Group. The relevant overseas holding companies have successfully obtained endorsement from various Mainland China tax bureaus to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the Mainland China subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the dividends to be distributed by the Mainland China subsidiaries of the Group.

25 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.



NOTES TO THE INTERIM FINANCIAL INFORMATION

26 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

NOTES TO THE INTERIM FINANCIAL INFORMATION

27 Guarantees

	30 June 2020 RMB million	31 December 2019 RMB million
Guarantees in respect of mortgage facilities for certain property buyers (note (a))	367,954	348,154
Guarantees to joint ventures and associates and other related parties in respect of borrowings (note (b))	69,121	73,239
	437,075	421,393

- (a) These represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon earlier of (i) issuance of the real estate ownership certificates which are generally available within three months after the buyers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loans by the property buyers.

The directors of the Company consider 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 and therefore no provision has been made in this interim financial information for the guarantees.

- (b) These mainly represented the maximum exposure of the guarantees provided for the borrowings of certain joint ventures and associates.



NOTES TO THE INTERIM FINANCIAL INFORMATION

28 Disposals of subsidiaries

During the period, the Group disposed of interests in a number of subsidiaries to certain third parties. Details of the disposals are as follows:

	RMB million
Disposal considerations	
– Cash received	548
– Outstanding and included in other receivables	1,080
– Fair value of investments in joint ventures and associates upon transfer from subsidiaries	624
	2,252
Less:	
– Total net assets of subsidiaries disposed of	(2,337)
– Non-controlling interests disposed of	341
	256
Gains on disposals	
Cash proceeds from disposals, net of cash disposed of	
– Cash consideration received	548
– Less: cash and cash equivalents in the subsidiaries disposed of	(2,707)
	(2,159)
Net cash outflow on disposals	(2,159)

NOTES TO THE INTERIM FINANCIAL INFORMATION

29 Business combinations

Business combinations during the period mainly included the acquisitions of interest in property development companies and acquisitions of additional interests in then joint ventures and associates which were further recognised as the Group's subsidiaries. The directors of the Company consider that none of these subsidiaries acquired during the period was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition dates was not disclosed.

The acquired companies' principal activities are property development and construction. The combined financial information of these acquired companies on the acquisition dates is summarised as follows:

	RMB million
Total purchase consideration	
– Cash paid	2,086
– Fair value of investments in joint ventures and associates held before business combinations	1,685
	3,771
Total recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	4,971
Restricted cash	731
Property, plant and equipment	390
Investment properties	165
Right-of-use assets	55
Intangible assets	49
Properties under development and completed properties held for sale	56,312
Prepaid income tax	2,598
Contract assets	412
Trade and other receivables	15,105
Deferred income tax assets	125
Bank and other borrowings	(7,902)
Trade and other payables	(35,493)
Contract liabilities	(26,197)
Current income tax liabilities	(2,450)
Deferred income tax liabilities	(2,910)
Total identifiable net assets	5,961
Non-controlling interests	(1,991)
Negative goodwill	(438)
Goodwill	239
	3,771
Inflow of cash to acquire business, net of cash acquired	
– cash considerations paid	(2,086)
– cash and cash equivalents in the subsidiaries acquired	4,971
Net cash inflow on acquisitions	2,885



NOTES TO THE INTERIM FINANCIAL INFORMATION

29 Business combinations *(Continued)*

Gains arising from negative goodwill were mainly due to the fact that the sellers had the intention to exit from their investments in these acquired businesses due to various operational reasons or other shareholders intended to cooperate with a leading property developer in the PRC to resolve liquidity issues or bring in industry expertise.

The goodwill arose from the acquisitions was mainly attributable to economies of scale expected from combining the operations of the Group and the acquired entities.

The acquired businesses contributed total revenues of RMB8,606 million and net profit of RMB815 million to the Group for the period from their respective acquisition dates to 30 June 2020. Had these companies been consolidated from 1 January 2020, the interim condensed consolidated income statement for the six months ended 30 June 2020 would show pro-forma revenue of RMB185,001 million and profit for the period of RMB21,906 million.

NOTES TO THE INTERIM FINANCIAL INFORMATION

30 Related party transactions**(a) Ultimate controlling shareholder**

The Company is ultimately controlled by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”).

(b) Transactions with related parties

Saved as disclosed in other notes above, the Group had the following significant transactions with related parties during the period:

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members:		
Purchase of design service	1,460	2,225
Construction service income	41	6
Purchase of property management services, consultancy and other services	594	531
Other transactions	286	37
(ii) Joint ventures:		
Provision of guarantee in respect of borrowings	52,618	44,057
Construction service income	2,334	1,579
Other transactions	471	313
(iii) Associates:		
Provision of guarantee in respect of borrowings	16,186	26,740
Construction service income	907	1,459
Other transactions	595	320

The prices for the above transactions were determined in accordance with the terms of the underlying agreements.

NOTES TO THE INTERIM FINANCIAL INFORMATION



30 Related party transactions *(Continued)*

(c) Key management compensation

Key management includes directors and chief executive officer of the Company.

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
Salaries, bonus, share-based compensation expenses and other employee benefits	149	263

(d) Balances with related parties

Saved as disclosed in other notes above, the Group had the following significant balances with its related parties:

	30 June	31 December
	2020	2019
	RMB million	RMB million
(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members:		
Trade and other receivables	2,820	2,910
Contract assets and contract acquisition costs	95	52
Trade and other payables	4,203	3,628
(ii) Joint ventures:		
Trade and other receivables	90,659	91,351
Contract assets and contract acquisition costs	2,164	1,911
Trade and other payables	52,258	51,001
(iii) Associates:		
Trade and other receivables	24,911	27,056
Contract assets and contract acquisition costs	947	1,285
Trade and other payables	27,125	24,050

The above balances due from/to related parties are mainly interest-free, unsecured and to be settled according to the contract terms.

(e) Senior notes

As at 30 June 2020, senior notes with principal amount of USD591 million (equivalent to approximately RMB4,184 million) (31 December 2019: USD461 million, equivalent to approximately RMB3,216 million) and USD25 million (equivalent to approximately RMB177 million) (31 December 2019: USD16 million, equivalent to approximately RMB112 million) and USD18 million (equivalent to approximately RMB127 million) (31 December 2019: USD5 million, equivalent to approximately RMB35 million) were held by Mr. YEUNG Kwok Keung, Mr. MO Bin and Ms. YANG Ziyang respectively.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. YEUNG Kwok Keung (*Chairman*)
 Ms. YANG Huiyan (*Co-Chairman*)
 Mr. MO Bin (*President*)
 Ms. YANG Ziying
 Mr. YANG Zhicheng
 Mr. SONG Jun
 Mr. SU Baiyuan

Non-executive Director

Mr. CHEN Chong

Independent Non-executive Directors

Mr. LAI Ming, Joseph
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung
 Mr. HUANG Hongyan
 Mr. TO Yau Kwok

CHIEF FINANCIAL OFFICER

Ms. WU Bijun

JOINT COMPANY SECRETARIES

Mr. LEUNG Chong Shun
 Mr. LUO Jie

AUTHORIZED REPRESENTATIVES

Ms. YANG Huiyan
 Mr. MO Bin
 Mr. MA Ziling (*alternate to Ms. YANG Huiyan*)
 Mr. LUO Jie (*alternate to Mr. MO Bin*)

AUDIT COMMITTEE

Mr. LAI Ming, Joseph (*Chairman*)
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung
 Mr. HUANG Hongyan

REMUNERATION COMMITTEE

Mr. TONG Wui Tung (*Chairman*)
 Mr. YEUNG Kwok Keung
 Mr. MO Bin
 Mr. LAI Ming, Joseph
 Mr. SHEK Lai Him, Abraham
 Mr. HUANG Hongyan

NOMINATION COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
 Mr. LAI Ming, Joseph
 Mr. TONG Wui Tung
 Mr. HUANG Hongyan

CORPORATE GOVERNANCE COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
 Ms. YANG Huiyan
 Mr. MO Bin

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
 Ms. YANG Huiyan
 Mr. MO Bin
 Mr. LAI Ming, Joseph
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung

EXECUTIVE COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
 Ms. YANG Huiyan
 Mr. MO Bin
 Ms. YANG Ziying
 Mr. YANG Zhicheng

FINANCE COMMITTEE*

Ms. WU Bijun (*Chairman*)
 Ms. YANG Huiyan
 Mr. MO Bin
 Ms. YANG Ziying
 Mr. YANG Zhicheng

* Other two members are senior management of the finance centre of the Company



CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Country Garden Centre
No. 1 Country Garden Road
Beijiao Town, Shunde District, Foshan
Guangdong Province 528312
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1702, 17/F.
Dina House, Ruttonjee Centre
11 Duddell Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS (In Alphabetical Order)

Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Development Bank Corporation
China Everbright Bank Company Limited
China Guangfa Bank Co., Ltd.
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.

China Zheshang Bank Co., Ltd.
Chong Hing Bank Limited
CIMB Bank Berhad
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Malayan Banking Berhad
Ping An Bank Company Limited
Postal Savings Bank of China
Shanghai Pudong Development Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

As to Hong Kong law:

Woo Kwan Lee & Lo
Sidley Austin
Lu, Lai & Li
Baker & McKenzie

As to PRC law:

Allbright Law Offices
Chongqing Shariea Law Firm
Guangdong ETR Law Firm
Guangdong Guoding Law Firm
King & Wood Mallesons
Shanghai City Development Law Firm Wuhan Office
Tahota (Chongqing) Law Firm
Dentons Law Firm Guangzhou Office
Beijing Yingke Law Firm Guangzhou Office

STOCK CODES

Stock Exchange	2007
Reuters	2007.HK
Bloomberg	2007 HK Equity

WEBSITE

<http://www.countrygarden.com.cn>

Financial Calendar 2020

Announcement of 2020 interim results	25 August
Ex-dividend date for interim dividend	16 September
Record Date for Eligible Shareholders to be entitled to interim dividend	22 September
Dispatch of dividend warrants	6 November

GLOSSARY

“2007 Share Option Scheme”	the share option scheme of the Company adopted on 20 March 2007 and which had expired on 19 March 2017
“2017 AGM”	the annual general meeting of the Company held on 18 May 2017
“2017 Share Option Scheme”	the share option scheme of the Company adopted on 18 May 2017
“2020 AGM”	the annual general meeting of the Company held on 21 May 2020
“attributable contracted sales”	the contracted sales of the Group’s subsidiaries, joint ventures and associates attributable to shareholders of the Company
“Audit Committee”	audit committee of the Company
“available cash”	the sum of cash and cash equivalents and restricted cash
“Board”	the board of Directors
“Chairman” or “Chairman of the Board”	the chairman of the Board
“Chief Financial Officer”	chief financial officer of the Company
“Co-Chairman”	Co-Chairman of the Board
“Company” or “Country Garden”	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007)
“core net profit attributable to the owners of the Company”	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 on financing activities, net losses on early redemption of senior notes and convertible bonds and changes in fair value of financial instruments
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Corporate Governance Committee”	corporate governance committee of the Company
“current ratio”	a ratio calculated by dividing current assets by current liabilities



“Director(s)”	director(s) of the Company
“Eligible Shareholders”	the Shareholders whose names appear on the register of members of the Company on 22 September 2020
“Employee Incentive Scheme”	employee incentive scheme of the Group adopted on 20 December 2012
“Environmental, Social and Governance Committee”	environmental, social and governance committee of the Company
“Executive Committee”	executive committee of the Company
“Finance Committee”	finance committee of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mainland China”	the People’s Republic of China, for the purpose of this interim report, excluding Hong Kong, Macau and Taiwan
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“net current assets”	the value of total current assets after its current liabilities have been subtracted
“net debt”	the value of total debt net of available cash
“net gearing ratio”	a financial leverage calculated as dividing net debt by total equity
“Nomination Committee”	nomination committee of the Company
“PRC” or “China”	the People’s Republic of China
“President”	president of the Company
“Remuneration Committee”	remuneration committee of the Company
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC

GLOSSARY

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HKD0.10 each
“Share Option Schemes”	2007 Share Option Scheme and 2017 Share Option Scheme
“Shareholder(s)”	shareholder(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	US dollar, the lawful currency of the United States of America
“%”	per cent



www.countrygarden.com.cn