

Stock Code : 2007



COUNTRY GARDEN 碧桂園

给您一个五星级的家



2021 INTERIM REPORT

COUNTRY
GARDEN

Holdings Company Limited

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

WHAT IS COUNTRY GARDEN?

Country Garden is a diversified technology company that creates a happy life for the world.

We are committed to robotics

Technology is advancing from day to day. In fact, the age of robots is already here. Country Garden is committed to scientific innovation. Our team is growing by the day, particularly our team of top scientists. Today, we have over 200 thousand employees, including more than 1,000 PhDs. Their combined brainpower channels the power of science to craft better lives for all, and to make China a more technologically advanced country.

We established Bright Dream Robotics to develop smart construction systems built around construction robots, prefabrication systems, and BIM. Bright Dream Robotics is working to achieve the perfect marriage of safety, quality, speed, and economy, and is leading a revolution in the construction sector. Meanwhile, Bright Dream Robotics is also developing, manufacturing, and operating robots for catering, healthcare, agriculture, and home services.

We set up Qianxi Robotics to build the world's most advanced robot restaurant. This is how we can offer our community food that is tasty, safe, nutritious, healthy, and reasonably priced and provide an entirely new dining experience to the consumers.

We build good housing and good communities

Country Garden is committed to supporting China's new urbanization process. We bring true craft and care to the task of making homes that are safe, healthy, attractive, economical, practical, and long-lasting. We provide good homes, beautifully decorated; friendly green spaces for quality of life; comprehensive local amenities; and thoughtful resident services. We have brought modern living to over 1,400 towns around China, and more than 4.5 million people have chosen to make their home in a Country Garden property. We are proud to have made an important contribution to the urbanization and modernization of our country.

We are active supporters of modern agriculture and rural revitalization

We established Country Garden Agriculture to apply self-driving technologies to advance Chinese agriculture. It will help raise productivity, and improve crop yields and quality. It is our contribution to the problem of feeding the world.

We also set up Biyouxuan, a company that helps farmers set up high-quality crop and livestock sites with direct commercial links to urban markets. It delivers a wide range of safe, tasty, reasonably priced produce straight from the field to where urban shoppers live: services bringing a better life for every Chinese family.

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 9 billion yuan to charitable causes. We are actively engaged in targeted poverty relief and rural revitalization projects in 57 counties across 16 different provinces. These programs have helped lift 490,000 people out of poverty. Going forward, we will consolidate the progress in poverty alleviation and make our contribution to rural rejuvenation.

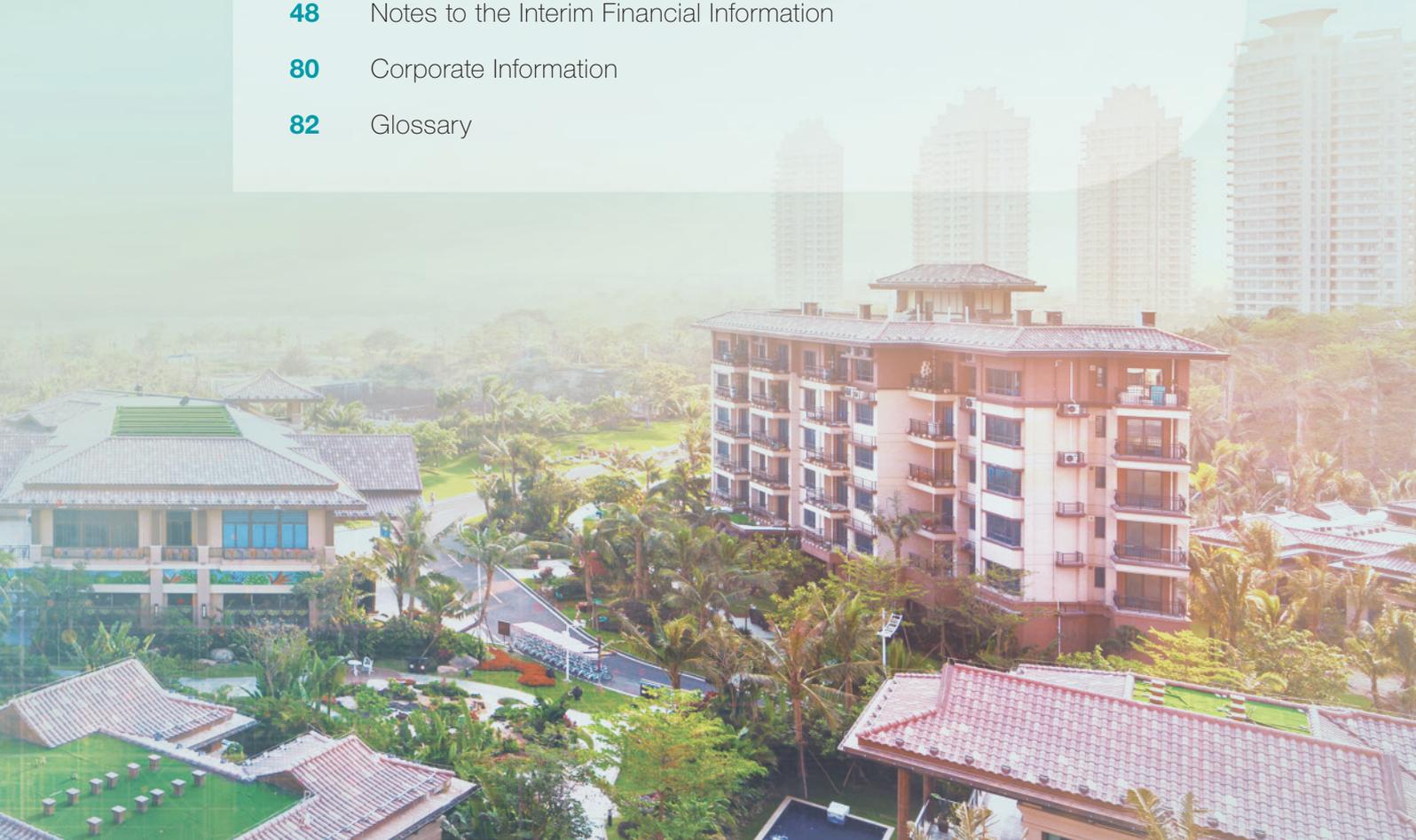
Country Garden is a Fortune 500 company that has been publicly listed in Hong Kong since 2007 and is tracked as a component of the Hang Seng Index. We are also a major taxpayer: in the year 2020 alone, we contributed over 65.3 billion yuan in taxes. In Country Garden, ethics, corporate social responsibility, and transparency are vital. Going forward, we are committed to being a force for human progress.

Country Garden – Five-star living for you.



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CORPORATE PROFILE



— Country Garden Headquarter, Foshan

Country Garden Holdings Company Limited (stock code: 2007.HK) is one of the China's largest residential property developers 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 enhancing the properties' marketability. 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.

CORPORATE PROFILE

**– Huzhou Binhucheng, Zhejiang**

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 2020. The Group ranked 139th in Fortune Global 500 as of August 2021.

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

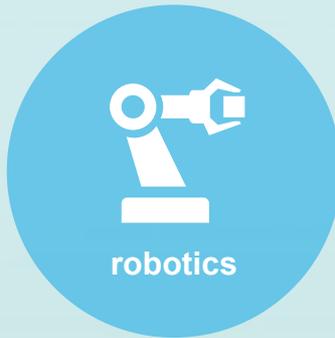
Value:

A transparent company with a conscience and social responsibility

Vision:

Country Garden is a diversified technology company that creates a happy life for the world

The troika that drives Country Garden's development:



Corporate Mission:

Make the world a better place for having us in it

Corporate Spirit:

Good for people and good for society

Brand:

Five-star living for you

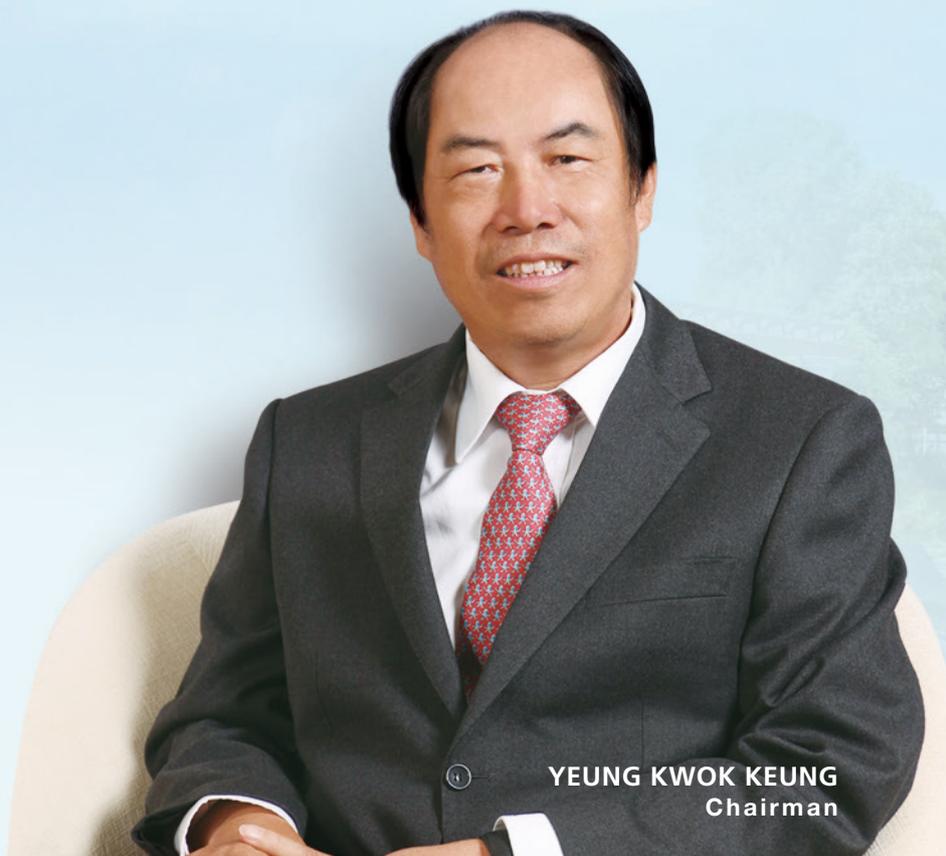
CORE VALUES



YEUNG Kwok Keung,
Country Garden
that I dream 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 a happy life for the world
- 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

CHAIRMAN STATEMENT



YEUNG KWOK KEUNG
Chairman

Progressing steadily towards success amid development

This year marks the centenary of the Communist Party of China. As a nation, we have achieved the goals that we have been striving for in the first one hundred years of the Party — the success in building moderately prosperous society and eradicating absolute poverty. Ever grateful to have been established in an epoch of great social change, Country Garden aligns itself with the social and economic trends set off by the state's reform policy. It has put itself at the forefront of the country's new type of urbanization, constructing high-quality yet affordable housing for the people. In the new era, Country Garden keeps pace with society's development by actively developing its high-tech businesses such as robotics and modern agriculture, and by devoting itself to rural revitalization. The Company is applying technology to make people's life better as it aspires to become a hi-tech conglomerate with the mission of contributing to social happiness.

In the first half of the year, the Chinese government firmly adhered to the principle that "housing is for living in, not for speculation" and accordingly forged

ahead with its policies of stabilizing the prices of both lands and housing and managing the home buyers' expectations. This has culminated in steady, healthy development of the property market. Performance indicators have pointed to stable performance of the real estate sector, with robust growth in property sales. There is still a long way to go for China's urbanization, which presents both opportunities and challenges for the property sector. In Country Garden, all of us must do our best to enhance the Company's overall competitiveness throughout property projects' life cycle while maintaining a prudent approach to the business operation. Wherever there is demand for our quality products, we will keep building quality housing painstakingly there for centuries to come. We firmly believe that only the most competitive companies can fully seize the opportunities wherever they arise.

For the six months ended 30 June 2021 (the "**Period**"), the Group and its joint ventures and associates together recorded approximately RMB303.09 billion in contracted sales attributable to the shareholders of the Company with cash collection ratio of 90%. When it comes to make decision about investment,

CHAIRMAN STATEMENT



the Company firmly applies its criteria for assessing what property projects are worth investing in and pursues unwaveringly its strategy of actively furthering the development of the property markets of the urban areas in cities of various tiers so that it has a balanced geographical market coverage nationwide. The Group had gained footholds in 296 municipal administrative regions and 1,408 counties/townships in 31 provinces/autonomous regions/municipalities in Mainland China. During the Period, the Group and its joint ventures and associates together acquired new lands for a total attributable cost of RMB88.43 billion, with 82% of the lands acquired in the five biggest metropolitan areas in Mainland China. The premium land bank will be able to reinforce the Company's steady performance in its future financial results. During the Period, the Group recorded revenue of approximately RMB234.93 billion, net profit of approximately RMB22.42 billion and approximately RMB15.22 billion in core net profit attributable to the owners of the Company.

The Company continued with its prudent approach to financial management and this practice has earned

recognition and support from credit rating agencies and major financial institutions. As at 30 June 2021, the Group had available cash of approximately RMB186.24 billion, which indicated abundant working capital; its total debt decreased to approximately RMB324.24 billion, with its net gearing ratio down by 5.9 percentage points to 49.7% compared with that at the end of last year while its average borrowing cost decreased by 17 basis points to 5.39%. We firmly believe that a sound and healthy financial position gives the best support to the Company in its effort to cope with the volatile market environment. Due to its confidence about the Company's prospect and its recognition of the enterprise value, the controlling shareholder increased its holding in the Company on 26 trading days during the Period, by a total of approximately 310 million Shares, which accounted for approximately 1.4% of the total issued share capital of the Company, at the average cost of approximately HKD9.68 per Share.

Technology is an inexorable driving force behind social advancement. This is the opportune era for the Company to start hi-tech businesses. Country

CHAIRMAN STATEMENT



— Country Garden Maoming Shuidongwan, Guangdong

Garden has devoted itself to the robotics business and added impetus to agricultural modernization and rural revitalization. It will also foster the development of all its new businesses scientifically.

Bright Dream Robotics champions the quality development of the construction industry. Therefore, it has established an intelligent construction system that combines construction robots, building information modeling (BIM) and new-type prefabricated construction to promote innovation in the adoption of smart technology, industrialization and digitalization of the construction industry. Various types of the construction robots have been commercialized, raising the standards of both safety and quality and enhancing efficiency in such work processes as leveling the floor, spray-painting the interior of a building and wallpapering. Presently, we are “deconstructing a building” as an experiment in the hope of enabling construction robots to operate like automated conveyor assembly lines through scientifically planned construction processes. With the advent of the change in the industry, we will leverage technology in the era of intelligent construction to provide customers with housing of higher standard, higher quality and a higher performance-price ratio.

As to the adoption of smart technology in the Group’s catering service, Qianxi Robotics has developed its proprietary robots which serve as a vehicle for the standardization of its catering service and has thus established a value chain of the intelligent catering that encompasses the manufacturing of equipment, the supply of ingredients for its cuisine and the operation of the restaurants. Qianxi will continue to leverage the brand of its restaurant chain and intelligent catering machines to build up its central kitchen and system for the supply of agricultural produce as it aims to use quality ingredients and intelligent cooking technology to provide society with healthy, hygienic, delicious and affordable cuisines quickly in a way that manifests the power of technology.

Agriculture is the foundation of a country and its structure has been undergoing unprecedented changes with the advent of the rapid technological development. In the first half of the year, Country Garden Agriculture signed a contract with the Model Base of Modern Urban Agriculture in the Guangdong-Hong Kong-Macao Greater Bay Area to build a large-scale unmanned farm that encompasses tillage, planting, management, harvesting and logistics in the whole value chain of agriculture by conducting research and development

CHAIRMAN STATEMENT



on such technologies as molecular breeding, intelligent agricultural machinery, unmanned driving system and digital agricultural applications. We firmly believe that the continuous improvement of unmanned farms can raise the efficiency of agricultural production and thus help solve the problem of food shortages.

This year marks the beginning of both the 14th Five-year Plan and the rural revitalization of our country. Poverty alleviation and rural revitalization have always been the integral parts of our business. Country Garden and its founder have donated a cumulative total of over RMB9 billion to charity and carried out its work in poverty alleviation in 57 counties in 16 provinces, helping 490,000 people to overcome poverty. With gratitude, we hope to contribute to the country's rural revitalization unceasingly in the new stage of its development. For instance, we leverage the well-established agricultural product distribution network of Biyouxuan to deliver quality products all the way from farms to cities and communities.

Country Garden has already issued its sustainability report for 12 consecutive years, with comprehensive and objective coverage of its vision, strategies and sustainable business practices. The report serves as a window

on the way the Company fulfils and advocates social responsibility. We will remain firmly committed to making Country Garden a conscientious and socially responsible company that serves as a model for the industry.

Once we have set our vision for the future, we shall be ready to brace ourselves for a long and arduous journey. Motivated by our loyalty to the Party and love of the motherland, all of us in Country Garden should struggle on with determination, contribute to social progress and create value for the Shareholders to the best of our abilities.

Capitalize on the era! Seize the day!

Keep it up!

YEUNG Kwok Keung

*Country Garden Holdings Company Limited
Chairman*

Foshan, Guangdong Province, the PRC, 24 August 2021

BUSINESS OVERVIEW

PROPERTY DEVELOPMENT

Contracted Sales

The first half of 2021, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB303.09 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 34.51 million sq.m..

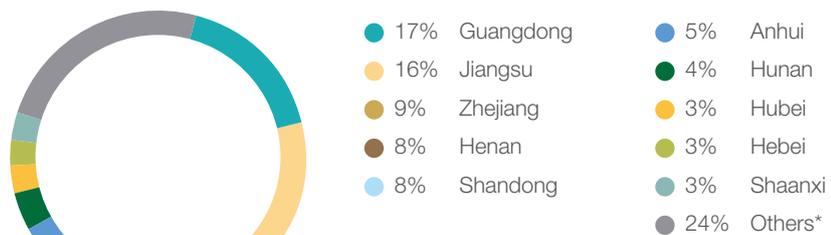
The first half of 2021, the attributable contracted sales outside Guangdong Province was around 83% of that of the Group, reflecting the Group's efforts in geographic diversification.

In terms of tier cities, around 62% of the attributable contracted sales in Mainland China was contributed by projects located in tier 3&4 cities targeting tier 3&4 cities, around 27% was contributed by projects located in tier 2 cities targeting tier 2 cities and 11% was contributed by the others.

Attributable contracted sales (RMB billion)

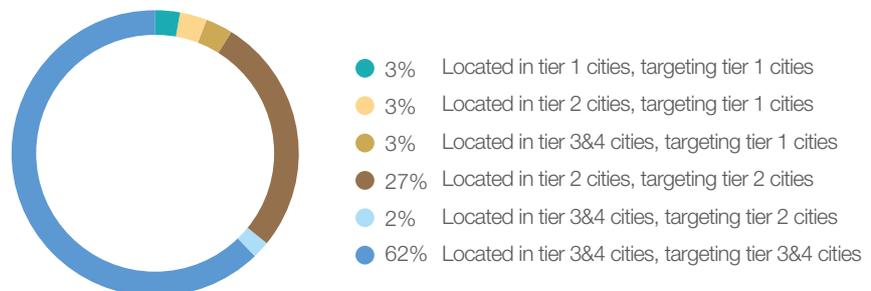


Geographical breakdown of contracted sales in The first half of 2021 (By Attributable Value)



Note: Other * include Hainan, Guangxi, Jiangxi, Sichuan, Liaoning, Fujian, Shanghai, Gansu, Yunnan, Shanxi, Chongqing, Guizhou, Tianjin, Inner Mongolia, Xinjiang, Qinghai, Beijing, Ningxia, Jilin, Thailand, USA, Tibet, Australia, Hong Kong, India, Malaysia, Heilongjiang, Indonesia, New Zealand.

Contracted sales breakdown in Mainland China by city type in The first half of 2021 (By Attributable Value)

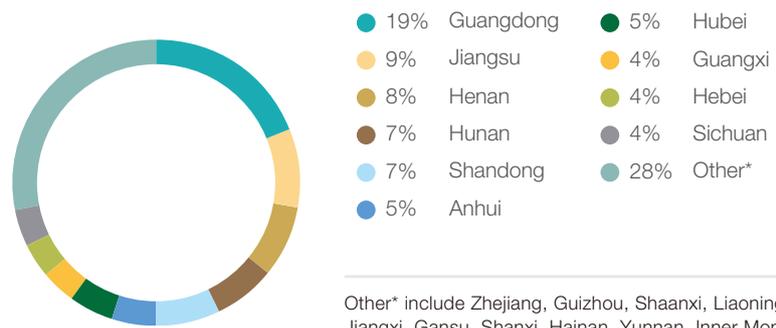


BUSINESS OVERVIEW

Landbank – Mainland China

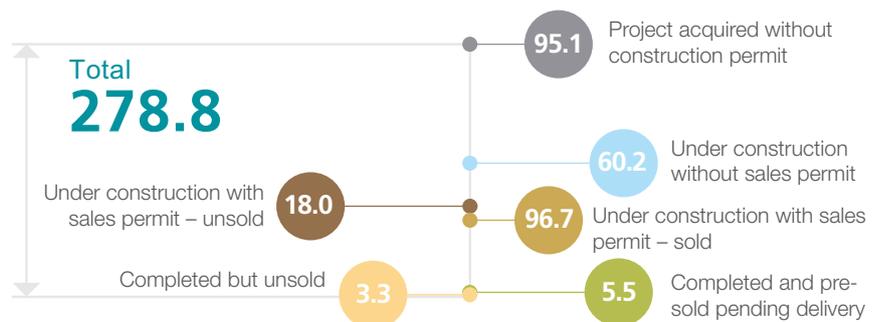
As of 30 June 2021, the acquired attributable GFA in Mainland China together with its joint venture and associates was 278.80 million sq.m.. 81% of the landbank was located outside of Guangdong province.

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



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

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



BUSINESS OVERVIEW

Project Location

As of 30 June 2021, the Group operated 3,157 projects under different development stages, 3,127 of these projects were located in Mainland China and 30 were outside Mainland China.



BUSINESS OVERVIEW

As of 30 June 2021, the Group's

3,127 projects

in Mainland China
were located as follows:



BUSINESS OVERVIEW

Top 100 projects with the highest attributable contracted sales in the first half of 2021 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	Country Garden – Songhu Pearl (碧桂園•松湖明珠)	Dongguan (Hengli)	237,787				
2	Country Garden – Phoenix City (碧桂園•鳳凰城)	Zhenjiang (Jurong)	6,893,935	3,878,886	3,789,954	82,932	24-May-21
3	Country Garden – Wangjiang Yipin (碧桂園•望江一品)	Taizhou (Jingjiang)	106,222				
4	Lanzhou Country Garden (蘭州碧桂園)	Lanzhou (Chengguan)	5,624,760	2,168,426	2,156,652	1,938	9-Feb-21
5	Country Garden – Berry Bay (碧桂園•柏麗灣)	Dongguan (Shatian)	172,360	122,973	122,973		30-Jun-14
6	Country Garden Urban Forest (碧桂園都市森林)	Changzhou (Wujin)	339,355				
7	Asian Games Town (亞運城)	Guangzhou (Panyu)	1,060,311	647,213	646,246	300	29-Dec-20
8	Country Garden – Jiududhui (碧桂園•玖都薈)	Taizhou (Wenling)	90,120				
9	Country Garden – Tianyue Mansion (碧桂園•天樾府)	Lianyungang (Ganyu)	205,693				
10	Country Garden – Coral Palace (碧桂園•珊瑚宮殿)	Lingshui (directly under the Jurisdiction)	1,317,188	1,276,301	1,221,292	243	22-Feb-21
11	Country Garden – Yunjing (碧桂園•雲境)	Lishui (Liandu)	161,507				
12	Country Garden – Didang Lake (碧桂園•迪蕩湖)	Shaoxing (Yuecheng)	118,961				
13	Country Garden – Ji Yang Mansion (碧桂園•暨陽府)	Wuxi (Jiangyin)	682,857	324,116	321,591		29-Sep-20
14	Country Garden Shenhui City (碧桂園深薈城)	Huizhou (Huiyang)	388,953	238,771	238,723		19-Nov-18
15	Country Garden – Tongquetai (碧桂園•銅雀臺)	Dongguan (Machong)	215,964	111,579	62,681	16,664	31-Mar-21
16	Country Garden Hill Lake City (碧桂園山湖城)	Qingyuan (Qingcheng)	1,997,775	1,632,608	1,630,836	1,519	30-Dec-20
17	Country Garden – 28 light years (碧桂園•28光年)	Foshan (Shunde)	110,493				
18	Anning Country Garden (安寧碧桂園)	Lanzhou (Anning)	373,533				
19	Country Garden – Jiuxi (碧桂園•玖璽)	Shanghai (Minhang)	37,230				
20	Country Garden – Fenglin Mansion (碧桂園•鳳麟府)	Yancheng (Yandu)	78,424				

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
237,787	145,297	30-Oct-20	1st Quarter, 2023			
1,247,632	647,567	25-Oct-19	4th Quarter, 2024	1,767,417	3rd Quarter, 2021	4th Quarter, 2025
106,222	101,051	30-Nov-20	4th Quarter, 2023			
1,507,843	1,241,472	25-Jul-16	4th Quarter, 2024	1,948,491	2nd Quarter, 2022	4th Quarter, 2025
49,387	42,830	24-Dec-20	4th Quarter, 2022			
272,596	266,654	25-Oct-19	4th Quarter, 2022	66,759	3rd Quarter, 2021	4th Quarter, 2024
329,188	184,638	18-Nov-14	4th Quarter, 2023	83,910	3rd Quarter, 2021	4th Quarter, 2024
90,120	81,908	16-Nov-20	3rd Quarter, 2023			
205,693	202,612	29-Nov-20	4th Quarter, 2023			
23,657		7-Nov-14	1st Quarter, 2022	17,230	3rd Quarter, 2021	2nd Quarter, 2023
161,507	120,806	10-Mar-21	4th Quarter, 2023			
118,961	89,755	20-Dec-19	4th Quarter, 2022			
358,741	318,058	14-May-20	4th Quarter, 2023			
150,182	139,468	30-Jul-20	2nd Quarter, 2023			
104,385	84,597	30-Sep-20	2nd Quarter, 2022			
365,167	313,002	17-Jan-20	4th Quarter, 2023			
110,493	84,913	11-Nov-20	4th Quarter, 2022			
370,161	261,036	22-Nov-19	4th Quarter, 2023	3,372	3rd Quarter, 2021	4th Quarter, 2023
37,230	37,230	20-Jun-20	2nd Quarter, 2022			
78,424	55,890	27-Nov-20	3rd 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.	
21	Country Garden Yue Mansion (碧桂園•樾府)	Dongguan (Xiegang)	102,425				
22	Shaoguan Country Garden – Sun City (韶關碧桂園•太陽城)	Shaoguan (Wujiang)	3,528,459	2,256,013	2,253,275	2,048	14-May-21
23	Country Garden – Yunyue Bizhen (碧桂園•雲樾碧臻)	Foshan (Nanhai)	191,071				
24	Country Garden – Phoenix City (碧桂園•鳳凰城)	Zhongshan (Southern District)	954,601	467,574	350,635	113,755	17-Dec-20
25	Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,577,793	2,914,513	2,904,886	217	5-Aug-20
26	Anqing Country Garden (安慶碧桂園)	Anqing (Yingjiang)	2,850,566	2,203,722	2,203,722		13-Jun-19
27	Nanjing City eslite (南京都會誠品)	Nanjing (Pukou)	119,487				
28	Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,441,695	1,706,356	1,700,887		28-Jun-20
29	Country Garden – Light of Metropolis (碧桂園•都會之光)	Lishui (Liandu)	57,148				
30	Country Garden – Lingjiang Mansion (碧桂園•陵江府)	Yangzhou (Guangling)	174,987				
31	Country Garden – Fengxiang Garden (碧桂園•鳳翔花園)	Huizhou (Zhongkai)	110,704				
32	Taicang Wanda South Country Garden (太倉萬達南碧桂園)	Suzhou (Taicang)	81,602				
33	Country Garden Phoenix City (碧桂園鳳凰城)	Baoji (Weibin)	1,017,922	189,594	189,328		15-Mar-21
34	Quzhou Peninsula Country Garden (衢州半島碧桂園)	Quzhou (Kecheng)	91,422				
35	Country Garden – Changqiao Jiangshan (碧桂園•長橋江山)	Chongqing (Beibei)	254,693	64,393	59,886	853	10-Oct-18
36	Country Garden – Ten Miles Beach Weigang Bay (碧桂園•十裡銀灘維港灣)	Huizhou (Huidong)	864,770	449,414	308,760	75,592	11-May-21
37	Country Garden–Bingjiang NO1 (碧桂園•濱江壹號)	Wenzhou (Lucheng)	42,344				
38	Country garden– Binjiang Mansion (碧桂園•濱江府)	Huizhou (Boluo)	376,149	107,676	107,255		26-Oct-20
39	Country Garden – Shiguangli (碧桂園•拾光里)	Urumqi (Shaybak)	143,543				
40	Country Garden – Yunjing (碧桂園•雲璟)	Qingyuan (Yingde)	392,191	197,296	197,060		14-Jan-21
41	Country Garden – Longyue Bay (碧桂園•瓏樾灣)	Dazhou (Tongchuan)	239,242				

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
102,425	57,145	7-Feb-21	2nd Quarter, 2024			
570,906	177,213	28-Jun-17	3rd Quarter, 2023	701,540	3rd Quarter, 2021	4th Quarter, 2025
191,071	61,962	20-Nov-20	3rd Quarter, 2023			
351,577	51,377	5-Feb-21	4th Quarter, 2023	135,450	3rd Quarter, 2021	4th Quarter, 2025
592,942	391,429	30-Sep-19	4th Quarter, 2024	70,338	3rd Quarter, 2021	4th Quarter, 2025
523,889	354,768	30-Oct-19	4th Quarter, 2024	122,955	3rd Quarter, 2021	4th Quarter, 2025
69,612	28,281	2-Dec-20	2nd Quarter, 2023	49,875	3rd Quarter, 2021	2nd Quarter, 2024
266,361	105,009	8-May-20	4th Quarter, 2023	468,978	1st Quarter, 2022	4th Quarter, 2025
57,148	44,698	25-Dec-20	4th Quarter, 2022			
174,987	144,027	19-Nov-19	4th Quarter, 2022			
110,704	105,950	20-May-20	4th Quarter, 2022			
81,602	81,602	10-Jun-20	4th Quarter, 2022			
310,627	230,515	14-Jun-19	2nd Quarter, 2023	517,701	1st Quarter, 2022	2nd Quarter, 2025
91,422	91,422	22-Nov-19	3rd Quarter, 2022			
108,295	59,592	25-Mar-20	4th Quarter, 2023	82,005	3rd Quarter, 2021	4th Quarter, 2024
319,130	188,769	24-Apr-19	4th Quarter, 2023	96,226	3rd Quarter, 2021	4th Quarter, 2024
42,344	39,539	19-May-20	4th Quarter, 2022			
250,997	147,626	21-Nov-19	2nd Quarter, 2023	17,476	3rd Quarter, 2021	2nd Quarter, 2023
143,543	102,224	22-Oct-20	3rd Quarter, 2023			
156,335	134,466	10-Aug-20	1st Quarter, 2024	38,560	3rd Quarter, 2021	2nd Quarter, 2024
239,242	226,199	1-Nov-19	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.	
42	Xiangcheng Country Garden (項城碧桂園)	Zhoukou (Xiangcheng)	221,568				
43	Country Garden – Yunding (碧桂園•雲頂)	Taiyuan (Yingze)	71,485				
44	Country garden Guangming Yueheming (碧桂園光明碧玥和鳴)	Changzhou (Xinbei)	80,274				
45	Sanya International Media Center (三亞國際傳媒中心)	Sanya (Jiyang)	70,119	14,141	13,733		28-Jun-19
46	Country Garden – Jiujin Platform (碧桂園•玖錦台)	Luoyang (Luolong)	178,232				
47	Country Garden Harbour City Impression (碧桂園港城印象)	Ningbo (Xiangshan)	70,594				
48	Country Garden – Xingxi Tai (碧桂園•星禧台)	Guangzhou (Zengcheng)	86,054				
49	Country Garden Fenghua Sihai (碧桂園風華四海)	Jiaxing (Haiyan)	74,317				
50	Changshu Guli Country Garden (常熟古裡碧桂園)	Suzhou (Changshu)	186,488	186,488	161,382	2,238	24-May-21
51	Wenxian Country Garden (溫縣碧桂園)	Jiaozuo (Wenxian)	458,556				
52	Country Garden Time City (碧桂園時代城)	Xinxiang (Hongqi)	206,523				
53	Country Garden – Longyue Lanting (碧桂園•瓏悅蘭庭)	Xining (Chengzhong)	278,895				
54	Shishi Country Garden (石獅碧桂園)	Quanzhou (Shishi)	225,801	64,194	39,880	23,220	30-Oct-20
55	Country Garden – Star works (碧桂園•星作)	Hohhot (New Urban Area)	254,288				
56	Country Garden—Fengqitai (碧桂園•鳳栖台)	Datong (Pingcheng)	395,727				
57	Country Garden Center – Tian Chen (碧桂園中心•天宸)	Tianjin (Beichen)	91,889				
58	Country Garden – North City Image (碧桂園•北城映象)	Kunming (Panlong)	513,899	137,029	136,258	123	19-Aug-20
59	Country Garden Tianyue Bay (碧桂園天悅灣)	Zhumadian (Yicheng)	187,780				
60	Country Garden – Capital of Emerald (碧桂園•翡翠首府)	Dezhou (Wucheng)	252,049				
61	Country Garden – Golden Age (碧桂園•黃金時代)	Jiangmen (Heshan)	146,260	40,080		39,747	31-Dec-20
62	Country Garden Lion Ocean (碧桂園獅子洋)	Dongguan (Shatian)	87,697	34,271	34,271		17-May-19
63	Country Garden – Capital of the city (碧桂園•城央首府)	Meishan (Hongya)	349,713	76,116		74,321	4-Jun-21

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
221,568	118,232	14-May-21	3rd Quarter, 2024			
71,485	55,544	26-Nov-20	4th Quarter, 2024			
80,274	77,774	8-Nov-19	2nd Quarter, 2023			
55,978	41,490	29-Jun-20	4th Quarter, 2023			
178,232	178,232	22-Jan-20	4th Quarter, 2023			
70,594	66,459	20-Apr-20	2nd Quarter, 2022			
86,054	41,516	16-Apr-21	3rd Quarter, 2023			
74,317	69,930	23-Dec-19	1st Quarter, 2022			
135,895	113,269	28-Apr-21	4th Quarter, 2023	322,661	3rd Quarter, 2021	2nd Quarter, 2025
206,523	167,506	17-Apr-20	4th Quarter, 2023			
237,556	214,293	22-Nov-19	3rd Quarter, 2023	41,339	3rd Quarter, 2021	3rd Quarter, 2024
161,607	100,650	23-Aug-18	4th Quarter, 2023			
89,880	58,642	24-Nov-20	3rd Quarter, 2023	164,408	2nd Quarter, 2022	4th Quarter, 2025
344,223	148,410	30-Sep-20	4th Quarter, 2023	51,504	3rd Quarter, 2021	4th Quarter, 2024
91,889	74,101	13-Dec-19	4th Quarter, 2022			
376,870	175,668	14-Jun-19	2nd Quarter, 2023			
181,690	119,324	13-Dec-19	4th Quarter, 2023	6,090	3rd Quarter, 2021	4th Quarter, 2023
252,049	177,750	12-Nov-18	2nd Quarter, 2024			
106,180	95,575	25-Oct-19	4th Quarter, 2022			
53,426	30,232	9-Apr-21	4th Quarter, 2022			
246,646	184,799	29-Apr-19	4th Quarter, 2023	26,951	3rd Quarter, 2021	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 – Jiangshan Fu (碧桂園·江山賦)	Yibin (Cuiping)	246,403				
65	Country Garden – Yandu Mansion (碧桂園·燕都府)	Chaoyang (Shuangta)	218,149				
66	Haidian Green Lake Country Garden (海澱翠湖碧桂園)	Beijing (Haidian)	47,189				
67	Fuyong Country Garden Lingyu (福永碧桂園領寓)	Shenzhen (Bao 'an)	163,377	111,008	110,944		18-Jan-19
68	Country Garden – Binjiang Times (碧桂園·濱江時代)	Meizhou (Fengshun)	648,333				
69	Linfen Country Garden (臨汾碧桂園)	Linfen (Yaodu)	195,211				
70	Country Garden – Central Era (碧桂園·正央時代)	Loudi (Louxing)	241,543				
71	Country Garden – Jiangshan Seal (碧桂園·江山印)	Xinxiang (Huixian)	463,643				
72	Country Garden – Shanyue Yunting (碧桂園·山樾雲庭)	Suzhou (Huqiu)	58,890				
73	Country Garden new sea cloud Valley (碧桂園新海雲谷)	Lianyungang (Haizhou)	308,900	67,850	66,899		8-Feb-21
74	Country Garden – Park City (碧桂園·公園上城)	Haikou (Longhua)	153,075	117,281		117,182	16-Jun-21
75	Country Garden – North Sea Sunshine (碧桂園·北海陽光)	Beihai (Haicheng)	514,331	54,796	53,216	1,300	30-Apr-21
76	Country Garden – Guoyuefu (碧桂園·國岳府)	Liaocheng (Dongchangfu)	240,317				
77	Country Garden – Tianchen (碧桂園·天宸)	Dezhou (Linyi)	280,334	91,889	91,464	426	10-Jun-21
78	Country Garden Yinyi – City impression (碧桂園銀億·大城印象)	Shenyang (Yuhong)	872,859	144,614	137,655	2,970	1-Jun-21
79	Country Garden – Wenjing Mansion (碧桂園·文景府)	Xi 'an (Weiyang)	126,950				
80	Xinda Country Garden (信達碧桂園)	Hefei (Feidong)	97,763				
81	Country Garden – Zishan Mansion (碧桂園·梓山府)	Yiyang (Heshan)	688,325	283,036	282,765		22-Jan-21
82	Luoyang Country Garden (洛陽碧桂園)	Yiyang (Yibin)	373,335	176,368	175,772		25-May-17
83	Country Garden – Qiaochu Tang (碧桂園·翹楚棠)	Yongzhou (Qiyang)	212,075				
84	Country Garden – Chaoming (碧桂園·潮鳴)	Jinhua (Yiwu)	61,105				
85	Country Garden – Splendid West Lake (碧桂園·錦綉西湖)	Jinzhou (Taihe)	268,618				

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
167,961	113,025	27-May-20	2nd Quarter, 2023	78,442	3rd Quarter, 2021	4th Quarter, 2023
218,149	202,446	11-Jun-20	3rd Quarter, 2023			
47,189	40,750	17-Mar-19	4th Quarter, 2021			
52,369	52,370	8-Sep-20	2nd Quarter, 2022			
249,468	156,512	10-Jun-20	4th Quarter, 2024	398,865	1st Quarter, 2022	2nd Quarter, 2025
195,211	187,575	6-Nov-18	3rd Quarter, 2023			
241,543	197,785	30-Apr-20	1st Quarter, 2024			
128,634	76,122	25-Apr-21	2nd Quarter, 2024	335,009	4th Quarter, 2021	4th Quarter, 2025
58,890	42,841	15-Sep-20	2nd Quarter, 2022			
87,357	57,063	11-Jul-19	4th Quarter, 2023	153,693	3rd Quarter, 2021	2nd Quarter, 2024
35,794	35,795	27-May-20	4th Quarter, 2022			
290,926	214,785	11-Jan-19	4th Quarter, 2022	168,609	4th Quarter, 2021	4th Quarter, 2023
240,317	234,728	23-Nov-18	3rd Quarter, 2023			
188,445	174,400	28-Apr-18	3rd Quarter, 2023			
429,420	295,564	27-Nov-18	4th Quarter, 2023	298,825	2nd Quarter, 2022	4th Quarter, 2025
119,497	113,279	28-Feb-20	1st Quarter, 2023	7,453	3rd Quarter, 2021	2nd Quarter, 2023
52,226	39,616	25-Dec-20	2nd Quarter, 2023	45,537	3rd Quarter, 2021	2nd Quarter, 2024
393,235	359,070	25-Jun-18	4th Quarter, 2023	12,054	3rd Quarter, 2021	4th Quarter, 2023
196,967	104,822	12-Nov-20	2nd Quarter, 2023			
102,315	64,109	18-Mar-21	1st Quarter, 2024	109,760	3rd Quarter, 2021	2nd Quarter, 2024
61,105	40,822	9-Mar-21	4th Quarter, 2022			
268,618	223,210	25-Sep-19	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	Country Garden – Star Icon (碧桂園•星薈)	Binzhou (Boxing)	141,784				
87	Country Garden – Yunzhu (碧桂園•雲著)	Qingdao (Shibe)	105,011				
88	Country Garden Boyu Mansion (碧桂園錦譽府)	Tianjin (Baodi)	119,536				
89	Country Garden – Yunding (碧桂園•雲頂)	Shenyang (Hunnan)	588,632				
90	Country Garden – Longcheng Era (碧桂園•龍城時代)	Quzhou (Longyou)	116,617				
91	Country Garden Tianxi Bay (碧桂園•天璽灣)	Tangshan (Qianxi)	242,561				
92	Country Garden daiming mansion (碧桂園大名府)	Nantong (Qidong)	500,920	471,394	414,741	50,651	29-Apr-21
93	Shunde Future City (順德未來城)	Foshan (Shunde)	111,965				
94	Country Garden Zhongzhou – Yunlu Garden (碧桂園•中洲•雲麓花園)	Huizhou (Zhongkai)	109,998				
95	Country Garden city light (碧桂園都會之光)	Suqian (Suyu)	141,216				
96	Country Garden – Daming Mansion (碧桂園•大名府)	Maoming (Maonan)	242,029	130,905	62,957	62,495	18-Jun-21
97	Country Garden future City Yanhuli (碧桂園未來城燕湖里)	Qingyuan (Qingcheng)	179,602				
98	Xin'an Country Garden (新安碧桂園)	Luoyang (Yibin)	298,276				
99	Country Garden – Taibai Garden (碧桂園•太白園築)	Jining (Rencheng)	74,022				
100	Cixi Hangzhou Bay (慈溪杭州灣)	Ningbo (Cixi)	495,547				

Notes:

- (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
141,784	133,851	15-Nov-19	4th Quarter, 2022			
105,011	88,142	15-Oct-19	2nd Quarter, 2022			
119,536	93,793	29-Sep-19	4th Quarter, 2022			
158,167	60,814	19-May-21	3rd Quarter, 2023	430,465	3rd Quarter, 2021	4th Quarter, 2025
94,318	25,632	20-May-21	2nd Quarter, 2024	22,299	3rd Quarter, 2021	3rd Quarter, 2024
242,561	198,594	28-May-19	4th Quarter, 2023			
29,526	25,827	2-Dec-20	2nd Quarter, 2023			
107,262	58,931	12-Apr-19	3rd Quarter, 2022	4,703	3rd Quarter, 2021	2nd Quarter, 2023
109,998	66,636	5-Jun-20	2nd Quarter, 2023			
141,216	135,770	28-Nov-19	2nd Quarter, 2024			
97,137	63,482	17-Aug-20	4th Quarter, 2022	13,987	3rd Quarter, 2021	2nd Quarter, 2023
179,602	88,164	9-Jun-20	4th Quarter, 2023			
260,975	219,565	2-Jun-20	4th Quarter, 2023	37,301	3rd Quarter, 2021	4th Quarter, 2023
74,022	55,773	16-Sep-20	2nd Quarter, 2023			
452,186	318,171	29-Sep-18	4th Quarter, 2022	43,361	3rd Quarter, 2021	4th Quarter, 2022

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	140,559,261	88,739,113	86,336,240	1,640,238	27,689,541	11,352,127	24,130,607
Jiangsu	53,142,013	29,338,838	28,469,901	515,359	16,398,599	9,965,221	7,404,576
Anhui	38,084,069	25,160,454	24,842,697	152,776	10,281,755	6,371,389	2,641,860
Hunan	34,581,834	14,437,217	13,784,388	437,477	12,728,655	7,369,853	7,415,962
Henan	31,563,591	8,785,951	8,548,114	141,156	16,412,530	9,905,471	6,365,110
Shandong	27,879,847	8,514,978	8,008,523	289,802	13,374,486	7,373,117	5,990,383
Hubei	25,851,936	13,520,357	13,265,827	128,284	7,808,466	3,495,069	4,523,113
Guangxi	19,920,385	8,655,933	8,483,310	122,752	8,327,248	5,451,899	2,937,204
Zhejiang	17,879,449	9,626,803	9,225,716	132,856	7,367,215	5,363,658	885,431
Liaoning	15,561,732	8,415,980	8,321,566	14,247	3,348,768	1,842,536	3,796,984
Sichuan	15,383,270	5,781,643	5,485,030	234,699	6,165,271	3,737,843	3,436,356
Hebei	15,173,538	4,598,783	4,444,240	54,286	7,317,050	3,757,560	3,257,705
Guizhou	15,004,558	7,310,332	6,813,178	381,953	5,020,331	2,857,544	2,673,895
Shaanxi	10,517,903	3,525,865	3,170,143	295,035	4,372,888	2,414,753	2,619,150
Jiangxi	10,187,880	4,403,151	4,242,309	119,052	4,223,761	2,468,414	1,560,968
Gansu	9,138,398	3,349,938	3,317,743	4,452	3,296,662	2,206,543	2,491,798
Fujian	9,129,033	6,085,961	5,766,118	195,641	2,539,985	1,226,271	503,087
Hainan	8,086,358	3,773,814	3,319,125	235,691	2,151,708	775,747	2,160,836
Chongqing	6,202,444	3,707,112	3,546,757	114,487	1,914,721	928,341	580,611
Inner Mongolia	6,008,589	2,213,518	2,051,522	137,653	1,195,743	632,441	2,599,328
Yunnan	5,826,648	1,885,938	1,854,701	12,806	2,916,613	1,405,127	1,024,097
Shanxi	5,669,890	618,794	603,781	256	3,212,018	1,919,730	1,839,078
Tianjin	3,933,251	1,873,818	1,782,958	37,766	1,215,191	761,202	844,242
Xinjiang	3,370,731	55,258	52,877	1,298	1,715,473	1,074,644	1,600,000
Qinghai	1,895,838	681,048	669,876	5,793	980,957	654,558	233,833
Jilin	1,545,069	349,440	322,866	6,195	920,118	481,276	275,511
Shanghai	1,281,911	468,745	400,563	35,842	376,757	170,312	436,409
Ningxia	1,220,066	546,637	533,730	1,701	574,597	425,029	98,832
Beijing	1,161,599	83,264	83,009	62	469,268	121,940	609,067
Heilongjiang	1,090,623	442,203	438,362	3,841	513,549	133,539	134,871
Tibet	174,162	36,147	35,917	0	138,015	77,021	0
Total	537,025,876	266,987,033	258,221,089	5,453,457	174,967,939	96,720,175	95,070,904

Notes:

- (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 increased by 27.0% to approximately RMB234,930 million in the first half of 2021 from approximately RMB184,957 million for the corresponding period in 2020. 97.0% of the Group's revenue was generated from the sales of properties (corresponding period in 2020: 97.3%), and 3.0% from Construction and Others segments (corresponding period in 2020: 2.7%).

Property Development

Revenue generated from property development increased by 26.6% to approximately RMB227,899 million for the six months ended 30 June 2021 from approximately RMB179,949 million for the corresponding period in 2020, primarily due to the increase of GFA delivered. The recognised average selling price of property delivered was approximately RMB7,994 per sq.m. for the six months ended 30 June 2021.

Construction

Construction revenue increased by 28.3% to approximately RMB4,130 million for the six months ended 30 June 2021 from approximately RMB3,219 million for the corresponding period in 2020, primarily due to the increase in the construction volume and the number of construction projects.

Others

Others segment mainly includes property investment, hotel operation and others, such as smart construction, robotic catering, new retail and modern agriculture businesses. Revenue from external parties of these segments increased by 62.2% to approximately RMB2,901 million for the six months ended 30 June 2021 from approximately RMB1,789 million for the corresponding period in 2020.

Selling and marketing costs and Administrative expenses

Benefited by the excellent cost control and the improvement of organization efficiency, the Group's selling and marketing costs and administrative expenses amounted to approximately RMB13,913 million in aggregate for the six months ended 30 June 2021. It accounted for 5.9% of the revenue for the first half of 2021, with a decrease of 1.4 percentage points compared with the corresponding period in 2020.

Finance Income – Net

The Group recorded net finance income of approximately RMB1,903 million in the first half of 2021 (corresponding period in 2020: approximately RMB1,886 million).

During the period, the Group recorded post-hedging net foreign exchange gains of approximately RMB831 million (corresponding period in 2020: net foreign exchange losses of approximately RMB622 million), interest income of approximately RMB1,350 million (corresponding period in 2020: approximately RMB2,508 million) and early redemption costs of senior notes of approximately RMB278 million (corresponding period in 2020: nil). Interest expenses, amounting to approximately RMB9,811 million for the six months ended 30 June 2021 (corresponding period in 2020: approximately RMB12,421 million) was fully capitalised on qualifying assets. Interest expenses decreased primarily due to the decrease of total debt and weighted average borrowing cost.

Profit and Core Net Profit Attributable to Owners of the Company

The profit attributable to owners of the Company increased by 6.1% to approximately RMB14,996 million for the six months ended 30 June 2021, when compared with approximately RMB14,132 million for the corresponding period in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

After deduction of effects such as fair value changes and net foreign exchange gains/losses from realized earnings of this period, the core net profit attributable to the owners of the Company for the first half of 2021 was approximately RMB15,216 million, representing an increase of 4.2% when compared with approximately RMB14,607 million for the corresponding period in 2020.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2021, the Group's available cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB186,238 million (31 December 2020: approximately RMB183,623 million), including approximately RMB18,317 million in restricted cash and approximately RMB59,361 million as guarantee deposits for construction of pre-sale properties.

As at 30 June 2021, 96.6% (31 December 2020: 97.1%) of the Group's available cash was denominated in Renminbi and 3.4% (31 December 2020: 2.9%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

Debt Composition

As at 30 June 2021, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB205,994 million, RMB74,958 million, RMB37,914 million and RMB5,369 million respectively (31 December 2020: approximately RMB207,323 million, RMB73,410 million, RMB40,480 million and RMB5,272 million respectively).

For bank and other borrowings, approximately RMB64,839 million, RMB137,589 million and RMB3,566 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2020: approximately RMB68,218 million, RMB132,880 million and RMB6,225 million respectively). As at 30 June 2021 and 31 December 2020, the majority of the bank and other borrowings were secured by certain properties, right-of-use assets and equipment of the Group and secured by the equity interests of certain group companies, and/or guaranteed by the Group.

The Group strictly manages the debt scale. As at 30 June 2021, the total debt decreased to approximately RMB324,235 million, from approximately RMB326,485 million as at 31 December 2020. And the Group continues to optimize its borrowing structure by exchanging high-cost debts with debts at lower cost. Take senior notes as an example, during the period the Group has early redeemed senior notes with par value of USD1,200 million whose interest rates were between 4.750% to 7.125% with the funds of newly issued senior notes with interest rates between 2.700% to 3.300%.

Net Gearing Ratio

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 decreased from approximately 55.6% as at 31 December 2020 to approximately 49.7% as at 30 June 2021.

Key Risk Factors and Uncertainties

The following lists out the key risks and uncertainties the Group is facing. 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

MANAGEMENT DISCUSSION AND ANALYSIS

investment and property related businesses, such as 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 which may have various levels of negative impact on the results of operations.

Interest Rate Risk

The Group's bank and other borrowings mainly bear floating rates. As at 30 June 2021, the weighted average borrowing cost of the Group's total debt was 5.39%, decreased by 17 basis points as compared with that as at 31 December 2020. 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 2021, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB393,847 million (31 December 2020: approximately RMB381,302 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 Group considers that in case of default in payments by property buyers, 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 2021, the Group had provided guarantees amounting to approximately RMB60,296 million (31 December 2020: approximately RMB64,603 million) for certain liabilities 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 2021, the Group had approximately 93,472 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,

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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 achieve sustainable development and corporate core advantage, the Group is establishing a “Corporate University”. Employees from different levels and different fields can all have opportunities to receive training, including Leadership Development Program, New Staff Campaign and On-the-job Training. All the projects are aimed at enabling employees to become senior management and inter-disciplinary talent and form a perfect HR training system of the Group.

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

The Group has approved and/or adopted certain share option scheme and employee incentive scheme, details can be referred in the sections headed “SHARE OPTION SCHEME” and “EMPLOYEE INCENTIVE SCHEME” of the interim report.

Forward Looking

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, adhering to the general principle of “houses are for

living not for speculation” and the control target of “stabilizing land prices, housing prices and expectation”. There is still a long way to go for China’s urbanization, which still presents both opportunities and challenges for the property sector.

To further enhance value to our Shareholders, the Group will leverage more on its brand awareness and buyer’s goodwill in established markets and strengthen our stronghold in these markets. We will also capitalize on our advance construction technology and plan our projects within manageable radii of modular and pre-fabrication centres. We will consolidate our operations to markets commensurate with our mode of operation.

To embrace the challenges and opportunities mentioned in the previous paragraphs, 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.

In conjunction with our established property development and construction business, the Group has increased research and development expenses to approximately RMB1,291 million for the six months ended 30 June 2021 and diversified into an investment portfolio covering smart construction, robotic catering, modern agriculture and new retail. The way forward will rely heavily on the application of artificial intelligence to solve the aging problem of the construction industry workforce and the increasing consumer demand for sustainable environment and food safety. The Group will continue to provide an integrated platform covering the needs of various stages in life 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 2021, 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 2021 AGM due to the travel restrictions then in place as a result of the COVID-19 pandemic.

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, risk management and internal control 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 2021. 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 2021 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 2020 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 2020 annual report and up to the date of this report are set out below:

Directors’ Information	Appointment (effective date)	Cessation (effective date)
Mr. SHEK Lai Him, Abraham		
<ul style="list-style-type: none"> • SJM Holdings Limited (Stock Code: 880) <ul style="list-style-type: none"> – independent non-executive director – advisor 	– 28 May 2021	28 May 2021 –
<ul style="list-style-type: none"> • International Alliance Financial Leasing Co., Ltd. (Stock Code: 1563) <ul style="list-style-type: none"> – independent non-executive director 	28 July 2021	–
Mr. TONG Wui Tung		
<ul style="list-style-type: none"> • Messrs. Ronald Tong & Co. <ul style="list-style-type: none"> – partner • Messrs. Cheung, Tong & Rosa Solicitors <ul style="list-style-type: none"> – partner • Y. T. Realty Group Limited (Stock Code: 75) <ul style="list-style-type: none"> – company secretary 	1 June 2021 – 1 August 2021	– 31 July 2021 –

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 2021. No incident of non-compliance was noted by the Company to date in 2021. 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 2021, 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 2021	Amount of debentures held
Mr. YEUNG Kwok Keung	Interest of controlled corporation	-	-	-	-	USD585,000,000 ¹
Ms. YANG Huiyan	Interest of controlled corporation	13,250,074,919 ²	-	13,250,074,919	60.09%	-
Mr. MO Bin	Beneficial owner	83,753,038	-	83,753,038	0.37%	USD30,000,000
Ms. YANG Ziying	Interest of controlled corporation	-	-	-	-	USD18,000,000 ³
Mr. YANG Zhicheng	Beneficial owner	817,366	8,077,021 ⁴	8,894,387	0.04%	-
Mr. SONG Jun	Beneficial owner	108,310	6,781,150 ⁴	6,889,460	0.03%	-
Mr. SU Baiyuan	Beneficial owner	463,721	3,060,126 ⁴	3,523,847	-	-
	Interest of spouse	446,226 ⁵	-	446,226	-	-
				3,970,073	0.01%	
Mr. CHEN Chong	Interest of spouse	13,250,074,919 ⁶	-	13,250,074,919	60.09%	-
Mr. LAI Ming, Joseph	Beneficial owner	1,074,050	-	1,074,050	0.01%	-
Mr. SHEK Lai Him, Abraham	Beneficial owner	1,100,361	-	1,100,361	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 2021, none of the 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2021, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors and 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 2021
Concrete Win Limited	Beneficial owner	13,250,074,919 ²	60.09%
Ping An Insurance (Group) Company of China, Ltd.	Interest of controlled corporation	1,951,053,750 ³	8.84% ³
Ping An Life Insurance Company of China, Ltd.	Beneficial owner	1,947,066,000 ^{3,4}	8.83% ^{3,4}

Notes:

- As at 30 June 2021, the total number of the issued Shares is 22,048,032,868 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 2021 (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 2021 (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 2021 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 2021, share options for 20,199,633 Shares with a fair value on the relevant grant dates of approximately RMB163 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 2021, 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 2021	Exercise price per Share HKD	Date of grant	Exercisable period
	Outstanding at 1 January 2021	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	-	817,366 ²	-	-	691,708	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	-	108,310 ²	-	-	628,177	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	-	925,676	-	-	5,700,760			
Employees of the Group	261,248	-	-	-	-	261,248	4.773	13.12.2013	13.12.2018-12.12.2023
Sub-total	261,248	-	-	-	-	261,248			
Other participant³	186,342	-	-	-	-	186,342	3.332	16.03.2016	16.03.2021-15.03.2026
Sub-total	186,342	-	-	-	-	186,342			
Total	7,074,026	-	925,676	-	-	6,148,350			

Notes:

- During the six months ended 30 June 2021, no share options were granted by the Company in accordance with the terms of the 2007 Share Option Scheme.
- The weighted average closing price of these Shares immediately before 16 April 2021 (the date on which the relevant share options were exercised) was HKD9.69.
- The "other participant" is a former Director.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(b) During the six months ended 30 June 2021, 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 2021	Exercise price per Share HKD	Date of grant ²	Exercisable period
	Outstanding at 1 January 2021	Granted during the period ¹	Exercised during the period	Cancelled during the period	Lapsed during the period				
Directors									
Mr. MO Bin	-	11,698,466	11,698,466 ³	-	-	-	9.730	26.03.2021	26.03.2021-25.03.2031
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
	189,361	-	-	-	-	189,361	10.160	24.07.2020	24.07.2025-23.07.2030
	248,853	-	-	-	-	248,853	10.332	03.12.2020	03.12.2025-02.12.2030
	-	644,397	-	-	-	644,397	9.730	26.03.2021	26.03.2026-25.03.2031
	Mr. SONG Jun	1,157,991	-	-	-	-	1,157,991	8.250	22.05.2017
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
291,254		-	-	-	-	291,254	10.160	24.07.2020	24.07.2025-23.07.2030
130,535		-	-	-	-	130,535	10.332	03.12.2020	03.12.2025-02.12.2030
Mr. SU Baiyuan		1,135,435	-	-	-	-	1,135,435	8.250	22.05.2017
	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
	-	901,113	-	-	-	901,113	9.730	26.03.2021	26.03.2026-25.03.2031
Sub-total	10,672,027	13,243,976	11,698,466	-	-	12,217,537			
Employees of the Group									
Sub-total	-	6,955,657	-	-	-	6,955,657	9.600	08.06.2021	08.06.2021-07.06.2031
Other participant⁵									
Sub-total	117,526	-	-	-	-	117,526	8.250	22.05.2017	22.05.2022-21.05.2027
Total	10,789,553	20,199,633	11,698,466	-	-	19,290,720			

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. During the six months ended 30 June 2021, share options of 20,199,633 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 26 March 2021 and 8 June 2021 was HKD9.00 and HKD9.35 respectively.
3. The weighted average closing price of these Shares immediately before 12 April 2021 (the date on which the relevant share options were exercised) was HKD9.83.
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 2021, 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 2021, share awards for 27,117,653 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 2021, the total number of Shares in relation to share awards that were granted under the Employee Incentive Scheme was 183,196,539 Shares (being the net number after deduction of the exercised and lapsed share awards). As of 30 June 2021, the cumulative total number of Shares held by Power Great under the Employee Incentive Scheme was 275,183,928 Shares (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2020: 281,926,904 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 HKD10.80 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 HKD15.36 per Written Call Option and its total number had been adjusted to 696,666,627 Written Call Options. The Written Call Options are exercisable only on their expiration dates ranging from 14 September 2023 to 24 November 2023. The maximum number of Shares that may be issued upon physical settlement of the Written Call Options is 696,666,627 Shares as at the date of this report.

As at the date of the report, the total outstanding amount of the issued 2023 Convertible Bonds is HKD7,524 million and the maximum number of Shares that may be issued under the 2023 Convertible Bonds is 696,666,666 Shares. During the six months ended 30 June 2021, no Shares were issued under the 2023 Convertible Bonds.

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, 1 June 2020, 15 September 2020 and 2 June 2021 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 2021.

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 2021, please refer to notes 16 and 17 to the “NOTES TO THE INTERIM FINANCIAL INFORMATION” in this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

On 17 October 2017, the Company, as the borrower, entered into a facility agreement (the **“2017 Facility Agreement”**) with, inter alia, various banks and financial institutions as lenders (the **“2017 Facility Lenders”**), and China Construction Bank Corporation, Hong Kong Branch, as the facility agent, pursuant to which the 2017 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 Facility Agreement), respectively (collectively, the **“2017 Loans”**) to the Company for a term of four years commencing from the date of the 2017 Facility Agreement. The 2017 Loans obtained under the 2017 Facility Agreement shall be applied by the Company for financing the general corporate purposes of the Group. Pursuant to the terms of the 2017 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 Facility Agreement. All the outstanding loans, accrued interest and all other amounts due and payable under the 2017 Facility Agreement have been fully repaid on 28 July 2021.

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 the terms 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). For the Tranche B1 Facility, there was no outstanding loan amount on the termination date and the termination date of the Tranche B2 Facility has been extended to 28 December 2021. The 2018 Loans 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**”), and 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 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 21 October 2020, the Company, as the borrower, entered into a facility agreement (the “**2020 Facility Agreement**”) with various financial institutions as original lenders (the “**2020 Original Lenders**”), and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2020 Original Lenders have agreed to make available a dual tranche term loan facilities with a lender accession option denominated in HKD and USD in an amount of HKD8,133.3 million and USD453 million, respectively (collectively, the “**2020 Loans**”) to the Company for a term of 48 months commencing from the date of the 2020 Facility Agreement. The 2020 Loans obtained under the 2020 Facility Agreement shall be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 8 December 2016; and refinancing any other existing offshore financial indebtedness 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 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 2020 Facility Agreement.

On 22 July 2021, the Company, as the borrower, entered into a facility agreement (the “**2021 Facility Agreement**”) with various financial institutions as original lenders (the “**2021 Original Lenders**”), pursuant to which the 2021 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in an amount of HKD6,076 million and USD559 million, respectively (collectively, the “**2021 Loans**”) to the Company for a term of 48 months commencing from the date of the 2021 Facility Agreement. The 2021 Loans obtained under the 2021 Facility Agreement shall be applied by the Company for refinancing in full the loan made available to the Company pursuant to the 2017 Facility Agreement; and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses to be incurred under the 2021 Facility Agreement. Pursuant to the terms of the 2021 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 2021 Facility Agreement.

INFORMATION FOR SHAREHOLDERS

INTERIM DIVIDEND

The Board declared an interim dividend of RMB20.98 cents (2020 interim dividend: RMB20.55 cents) per Share for the six months ended 30 June 2021 (the “**Interim Dividend**”) to Eligible Shareholders whose names appear on the registers of members of the Company (the “**Registers of Members**”) on Monday, 20 September 2021 (the “**Record Date**”), with the Eligible Shareholders being given an option to elect to receive the Interim Dividend all in new Shares or partly in new Shares and partly in cash or all in cash (the “**Scrip Dividend Scheme**”).

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 Tuesday, 7 September 2021 to Monday, 13 September 2021.

The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued pursuant thereto.

A circular giving full details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Eligible Shareholders on or around Wednesday, 20 October 2021. It is expected that the Interim Dividend warrants and certificates for the new Shares (in case the Eligible Shareholders have elected to receive part or all their Interim Dividend in the form of new Shares) will be despatched to the Eligible Shareholders on or around Friday, 26 November 2021.

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	Tuesday, 14 September 2021
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 Wednesday, 15 September 2021
Closure of Registers of Members	Thursday, 16 September 2021 to Monday, 20 September 2021 (both days inclusive)
Record Date	Monday, 20 September 2021

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 2021 RMB million	Audited 31 December 2020 RMB million
Non-current assets			
Property, plant and equipment	7	26,624	26,345
Investment properties	7	15,147	15,659
Intangible assets		1,408	1,423
Right-of-use assets		4,956	4,858
Properties under development	8	75,719	106,696
Investments in joint ventures	9	46,684	41,011
Investments in associates	10	21,923	22,430
Financial assets at fair value through other comprehensive income		3,775	3,985
Derivative financial instruments		18	812
Trade and other receivables	11	14,700	13,968
Deferred income tax assets		39,941	36,466
		250,895	273,653
Current assets			
Properties under development	8	1,055,306	1,034,664
Completed properties held for sale		60,762	49,587
Inventories		9,566	10,907
Trade and other receivables	11	391,410	410,937
Contract assets and contract acquisition costs	12	23,153	21,960
Prepaid income tax		24,785	23,781
Restricted cash	13	18,317	16,470
Cash and cash equivalents	13	167,921	167,153
Financial assets at fair value through profit or loss	14	15,232	6,596
Derivative financial instruments		116	101
		1,766,568	1,742,156
Current liabilities			
Contract liabilities		724,271	695,614
Trade and other payables	15	619,047	660,293
Current income tax liabilities		32,539	39,519
Senior notes	16	3,941	2,219
Corporate bonds	17	18,022	25,784
Convertible bonds		19	20
Bank and other borrowings	18	64,839	68,218
Lease liabilities		214	208
Derivative financial instruments		1,237	1,084
Dividend payable	25	5,508	–
		1,469,637	1,492,959
Net current assets		296,931	249,197
Total assets less current liabilities		547,826	522,850

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2021 RMB million	Audited 31 December 2020 RMB million
Non-current liabilities			
Senior notes	16	71,017	71,191
Corporate bonds	17	19,892	14,696
Convertible bonds		5,350	5,252
Bank and other borrowings	18	141,155	139,105
Lease liabilities		504	447
Deferred government grants		238	152
Deferred income tax liabilities		30,406	32,472
Derivative financial instruments		1,588	2,532
		270,150	265,847
Equity attributable to owners of the Company			
Share capital and premium	19	31,611	31,495
Other reserves	20	15,667	17,457
Retained earnings	20	137,203	126,150
		184,481	175,102
Non-controlling interests		93,195	81,901
Total equity		277,676	257,003
Total equity and non-current liabilities		547,826	522,850

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	
		2021	2020
		RMB million	RMB million
Revenue	6	234,930	184,957
Cost of sales	22	(188,646)	(140,070)
Gross profit		46,284	44,887
Other income and gains — net	21	1,739	1,880
(Losses)/gains arising from changes in fair value of and transfers to investment properties	7	(48)	3
Selling and marketing costs	22	(7,700)	(6,894)
Administrative expenses	22	(6,213)	(6,574)
Research and development expenses	22	(1,291)	(1,030)
Net impairment losses on financial and contract assets		(551)	(854)
Operating profit		32,220	31,418
Finance income	23	2,181	2,508
Finance costs	23	(278)	(622)
Finance income — net	23	1,903	1,886
Share of results of joint ventures and associates	9, 10	3,122	2,583
Profit before income tax		37,245	35,887
Income tax expenses	24	(14,825)	(13,961)
Profit for the period		22,420	21,926
Profit attributable to:			
— Owners of the Company		14,996	14,132
— Non-controlling interests		7,424	7,794
		22,420	21,926
Earnings per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	26	0.69	0.66
Diluted	26	0.68	0.63

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	
	2021	2020
	RMB million	RMB million
Profit for the period	22,420	21,926
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
– Changes in fair value of financial assets at fair value through other comprehensive income	372	(289)
– Revaluation gains on investment properties upon transfers from right-of-use assets	27	–
Items that may be reclassified to profit or loss:		
– Deferred gains/(losses) on cash flow hedges	4	(240)
– Deferred (costs)/gains of hedging	(53)	217
– Currency translation differences	(416)	112
Total other comprehensive loss for the period, net of tax	(66)	(200)
Total comprehensive income for the period	22,354	21,726
Total comprehensive income attributable to:		
– Owners of the Company	14,926	13,852
– Non-controlling interests	7,428	7,874
	22,354	21,726

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 2021	31,495	17,457	126,150	175,102	81,901	257,003	
Comprehensive income for the six months ended 30 June 2021							
Profit for the period	-	-	14,996	14,996	7,424	22,420	
Other comprehensive income	-	(1,601)	1,531	(70)	4	(66)	
Total comprehensive income for the six months ended 30 June 2021	-	(1,601)	16,527	14,926	7,428	22,354	
Transactions with owners in their capacity as owners							
Capital injections from non-controlling interests	-	-	-	-	4,758	4,758	
Dividend	-	-	(5,508)	(5,508)	(1,632)	(7,140)	
Employee share schemes							
– Value of employee services	-	207	-	207	-	207	
– Exercise of employee share schemes	116	(20)	-	96	-	96	
Non-controlling interests arising from business combinations (note 29)	-	-	-	-	191	191	
Disposals of subsidiaries (note 28)	-	(31)	31	-	(685)	(685)	
Changes in ownership interests in subsidiaries without change of control	-	(292)	-	(292)	1,234	942	
Total transactions with owners	116	(136)	(5,477)	(5,497)	3,866	(1,631)	
Other transaction							
Partial cancellation of written call options	-	(53)	3	(50)	-	(50)	
Balance at 30 June 2021	31,611	15,667	137,203	184,481	93,195	277,676	

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 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 schemes						
– Value of employee services	–	216	–	216	–	216
– Exercise of employee share schemes	262	(9)	–	253	–	253
Non-controlling interests arising from business combinations	–	–	–	–	1,991	1,991
Disposals of subsidiaries	–	(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

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

	Note	Unaudited	
		Six months ended 30 June	
		2021	2020
		RMB million	RMB million
Cash flows from operating activities			
Cash generated from operations		47,308	21,785
Income tax paid		(27,596)	(26,771)
Interest paid		(9,333)	(11,086)
Net cash generated from/(used in) operating activities		10,379	(16,072)
Cash flows from investing activities			
Net cash inflow on business combinations	29	1,879	2,885
Proceeds from disposals of property, plant and equipment		128	518
Net cash inflow/(outflow) on disposals of subsidiaries	28	667	(2,159)
Purchases of property, plant and equipment		(1,169)	(1,216)
Payments for investment properties		(199)	(21)
Purchases of intangible assets		(203)	(323)
Purchases of right-of-use assets		(16)	(16)
Net increase in payments related to investments in joint ventures		(3,014)	(2,227)
Net increase in payments related to investments in associates		(186)	(285)
Dividend income from joint ventures and associates	9, 10	1,929	66
Net increase in deposits and advances related to equity transactions		(746)	(2,781)
Repayments from loans to third parties		–	3
Payments for financial assets at fair value through other comprehensive income		(1,572)	(188)
Proceeds from disposals of financial assets at fair value through other comprehensive income		2,268	4
Payments for financial assets at fair value through profit or loss		(9,515)	(12,563)
Proceeds from disposals of financial assets at fair value through profit or loss		1,970	8,184
Interest received		1,350	2,245
Net cash used in investing activities		(6,429)	(7,874)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Unaudited	
		Six months ended 30 June	
		2021	2020
		RMB million	RMB million
Cash flows from financing activities			
Capital injections from non-controlling interests		4,758	1,063
Net cash inflow/(outflow) from transactions with non-controlling interests		942	(810)
Issue of senior notes	16	10,970	10,675
Redemption and repayment of senior notes		(8,885)	(6,233)
Issue of corporate bonds		6,476	5,640
Repayment of corporate bonds		(9,265)	(2,700)
Settlement of derivative financial instruments		(596)	122
Repayments of receipts under securitisation arrangements		–	(279)
Payments for principal portion of leases		(106)	(163)
Dividends paid to non-controlling interests		(1,632)	(218)
Proceeds from bank and other borrowings		69,622	59,191
Repayments of bank and other borrowings		(75,386)	(102,641)
Net cash used in financing activities		(3,102)	(36,353)
Net increase/(decrease) in cash and cash equivalents		848	(60,299)
Cash and cash equivalents at the beginning of the period		167,153	248,985
Exchange (losses)/gains on cash and cash equivalents		(80)	93
Cash and cash equivalents at the end of the period		167,921	188,779

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 24 August 2021. This interim financial information has not been audited.

2 Basis of preparation

This interim financial information for the six months ended 30 June 2021 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 2020 (“2020 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 2020 Financial Statements as described therein, except for the estimation of income tax and the adoption of new and amended standards.

Amendments to existing standards that are effective for the financial year beginning on 1 January 2021 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 HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, 'Interest rate benchmark reform — phase 2', 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 2021 and have not been early adopted:

		Effective for the financial year beginning on or after
Amendments to HKFRS 16	COVID-19-related rent concessions beyond June 30 2021	1 April 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	Annual improvements to HKFRS Standards 2018–2020 cycle	1 January 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of financial statements — classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
HKFRS 17	Insurance contracts	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. The Group will assess the impact of HKFRS 17 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 2020 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 included 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 2020 Financial Statements.

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

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 included 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 2021					
Senior notes	6,691	12,203	47,911	25,884	92,689
Corporate bonds	18,672	11,870	9,192	164	39,898
Convertible bonds	282	282	6,401	–	6,965
Bank and other borrowings	75,332	81,695	66,478	3,748	227,253
Trade and other payables (excluding other taxes payable and salaries payable)	563,647	–	–	–	563,647
Lease liabilities	303	184	305	136	928
Derivative financial instruments	1,237	261	1,327	–	2,825
Dividend payable	5,508	–	–	–	5,508
Total	671,672	106,495	131,614	29,932	939,713

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 2020					
Senior notes	5,079	14,932	41,455	30,674	92,140
Corporate bonds	26,897	5,873	9,767	189	42,726
Convertible bonds	285	285	6,617	–	7,187
Bank and other borrowings	79,227	81,399	62,324	6,555	229,505
Trade and other payables (excluding other taxes payable and salaries payable)	601,152	–	–	–	601,152
Lease liabilities	285	140	265	124	814
Derivative financial instruments	1,084	333	2,199	–	3,616
Total	714,009	102,962	122,627	37,542	977,140

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 2021				
Assets				
Financial assets at fair value through other comprehensive income (“FVOCI”)	238	257	3,280	3,775
Derivative financial instruments	–	134	–	134
Financial assets at fair value through profit or loss (“FVTPL”)	1,950	7,486	5,796	15,232
Total	2,188	7,877	9,076	19,141
Liabilities				
Derivative financial instruments	–	2,825	–	2,825
At 31 December 2020				
Assets				
Financial assets at FVOCI	2,393	255	1,337	3,985
Derivative financial instruments	–	913	–	913
Financial assets at FVTPL	1,540	1,783	3,273	6,596
Total	3,933	2,951	4,610	11,494
Liabilities				
Derivative financial instruments	–	3,616	–	3,616

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 2021 and 2020:

	Six months ended 30 June	
	2021 RMB million	2020 RMB million
At 1 January	4,610	3,219
Additions	4,428	1,619
Fair value changes	680	(352)
Disposals	(34)	(4)
Transfer to level 1 (note (b))	(608)	–
At 30 June	9,076	4,482

- (a) There is no material unrealised gain or loss recognised in profit or loss in the current period (2020: no material unrealised gain or loss) attributable to balances held at the end of the reporting period.

There were no changes in valuation techniques during the period.

- (b) The Group transferred its equity interest in a company since its listing from level 3 to level 1 as the shares of the company was actively traded during the period.

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 segment 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 and others, such as smart construction, robotic catering, new retail and modern agriculture businesses, which are individually and collectively insignificant for segment reporting purposes.

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 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	
	2021	2020
	RMB million	RMB million
Sales of properties	227,899	179,949
Rendering of construction services	4,130	3,219
Rental income	374	221
Others	2,527	1,568
	234,930	184,957

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 2021				
Revenue from contracts with customers	227,899	25,950	11,279	265,128
– Recognised at a point in time	183,714	–	10,408	194,122
– Recognised over time	44,185	25,950	871	71,006
Revenue from other sources: rental income	–	–	374	374
Segment revenue	227,899	25,950	11,653	265,502
Inter-segment revenue	–	(21,820)	(8,752)	(30,572)
Revenue from external customers	227,899	4,130	2,901	234,930
Share of results of joint ventures and associates	3,141	–	(19)	3,122
Losses arising from changes in fair value of and transfers to investment properties	–	–	(48)	(48)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	297	20	926	1,243
Net impairment losses on financial and contract assets	508	9	34	551
Segment results	35,478	237	(347)	35,368
At 30 June 2021				
Total segment assets after elimination of inter-segment balances	1,822,966	32,918	121,504	1,977,388
Investments in joint ventures and associates	68,018	–	589	68,607
Capital expenditure	253	21	2,155	2,429
Total segment liabilities after elimination of inter-segment balances	1,228,496	28,366	87,412	1,344,274

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 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 transfers 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 31 December 2020				
Total segment assets after elimination of inter-segment balances	1,828,224	32,884	117,322	1,978,430
Investments in joint ventures and associates	63,244	—	197	63,441
Capital expenditure	994	290	3,883	5,167
Total segment liabilities after elimination of inter-segment balances	1,241,088	31,988	83,638	1,356,714

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	
	2021	2020
	RMB million	RMB million
Total segment results	35,368	33,878
Changes in fair value of derivative financial instruments	(26)	123
Finance income – net	1,903	1,886
Profit before income tax	37,245	35,887

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

	30 June	31 December
	2021	2020
	RMB million	RMB million
Total segment assets after elimination of inter-segment balances	1,977,388	1,978,430
Derivative financial instruments	134	913
Deferred income tax assets	39,941	36,466
Total assets	2,017,463	2,015,809
Total segment liabilities after elimination of inter-segment balances	1,344,274	1,356,714
Current income tax liabilities	32,539	39,519
Senior notes	74,958	73,410
Corporate bonds	37,914	40,480
Convertible bonds	5,369	5,272
Bank and other borrowings	205,994	207,323
Derivative financial instruments	2,825	3,616
Dividend payable	5,508	–
Deferred income tax liabilities	30,406	32,472
Total liabilities	1,739,787	1,758,806

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 2021		
Opening net book amount at 1 January 2021	26,345	15,659
Acquisition of subsidiaries (note 29)	3	–
Other additions	1,749	199
Transfer from right-of-use assets	–	55
Revaluation gains upon transfers	–	27
Fair value changes	–	(48)
Transfer to properties under development	–	(745)
Disposals of subsidiaries	(88)	–
Other disposals	(142)	–
Depreciation	(1,106)	–
Exchange differences	(137)	–
Closing net book amount at 30 June 2021	26,624	15,147

The Group's investment properties were valued at transfer or business acquisition dates, and at 30 June 2021 and 31 December 2020 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 2021 and 31 December 2020, the Group only had investment properties measured at level 3 valuation.

NOTES TO THE INTERIM FINANCIAL INFORMATION

8 Properties under development

	30 June 2021 RMB million	31 December 2020 RMB million
Properties under development expected to be completed and delivered:		
– Within one operating cycle included under current assets	1,055,306	1,034,664
– Beyond one operating cycle included under non-current assets	75,719	106,696
	1,131,025	1,141,360
Amounts comprise:		
– Construction costs including depreciation and staff cost capitalised	560,627	581,025
– Land costs	544,593	534,303
– Borrowings costs capitalised	25,805	26,032
	1,131,025	1,141,360

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

At 30 June 2021, properties under development included the costs to fulfil those contracts, the revenue of which is recognised over time, amounting to RMB20,314 million (31 December 2020: RMB25,849 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 2021 was 5.76% per annum (six months ended 30 June 2020: 6.44% 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	
	2021	2020
	RMB million	RMB million
At 1 January	41,011	34,954
Additions	5,620	1,732
Disposals	(686)	(140)
Dividends	(519)	(42)
Share of results	1,258	893
— Gains arising from negative goodwill	22	—
— Others	1,236	893
At 30 June	46,684	37,397

The balance comprises the following:

	30 June	31 December
	2021	2020
	RMB million	RMB million
Unlisted investments		
— Share of net assets	46,252	40,579
— Notional goodwill	432	432
	46,684	41,011

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 negative goodwill was mainly resulted from the fact that the joint ventures partners intended to cooperate with the Group to resolve liquidity issues or bring in industry expertise.

As at 30 June 2021, 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 RMB4,607 million (31 December 2020: RMB4,293 million).

NOTES TO THE INTERIM FINANCIAL INFORMATION

10 Investments in associates

	Six months ended 30 June	
	2021	2020
	RMB million	RMB million
At 1 January	22,430	17,159
Additions	194	691
Disposals	(1,155)	(1,387)
Dividends	(1,410)	(97)
Share of results	1,864	1,690
At 30 June	21,923	18,056

None of the acquisition during the period was individually significant to the Group.

As at 30 June 2021, 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 RMB362 million (31 December 2020: RMB1,186 million).

11 Trade and other receivables

	30 June	31 December
	2021	2020
	RMB million	RMB million
Included in current assets		
– Trade receivables — net (note (a))	36,037	35,742
– Other receivables — net (note (b))	259,480	272,910
– Loans to third parties — net	11	11
– Prepayments for land (note (c))	55,594	67,009
– Other prepayments (note (d))	40,288	35,265
	391,410	410,937
Included in non-current assets		
– Deposits for acquisitions of companies	14,700	13,968
	406,110	424,905

NOTES TO THE INTERIM FINANCIAL INFORMATION

11 Trade and other receivables *(Continued)*

(a) Details of trade receivables are as follows:

	30 June 2021	31 December 2020
	RMB million	RMB million
Trade receivables	36,248	35,955
Less: allowance for impairment	(211)	(213)
Trade receivables — net	36,037	35,742

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 2021	31 December 2020
	RMB million	RMB million
Within 90 days	31,137	30,238
Over 90 days and within 180 days	2,175	2,593
Over 180 days and within 365 days	2,341	2,542
Over 365 days	595	582
	36,248	35,955

As at 30 June 2021 and 31 December 2020, 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 2021 RMB million	31 December 2020 RMB million
Amounts due from joint ventures, associates and other related parties	85,919	99,506
Land auction and other deposits	11,633	9,106
Others*	167,271	169,088
	264,823	277,700
Less: allowance for impairment	(5,343)	(4,790)
Other receivables — net	259,480	272,910

* These receivables mainly included current accounts due from the other shareholders of certain subsidiaries, joint ventures and associates of the Group, 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 2021.
- (d) Other prepayments mainly included 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 2021 RMB million	31 December 2020 RMB million
Contract assets related to sales of properties	7,432	7,200
Contract assets related to construction services	6,363	6,067
Contract acquisition costs	9,358	8,693
Total contract assets and contract acquisition costs	23,153	21,960

NOTES TO THE INTERIM FINANCIAL INFORMATION

13 Cash and cash equivalents

	30 June 2021 RMB million	31 December 2020 RMB million
Cash at banks and on hand	186,238	183,623
Less: restricted cash (note (a))	(18,317)	(16,470)
	167,921	167,153

- (a) The balance mainly represented unreleased guarantee deposits for construction of pre-sale properties denominated in RMB and RM placed in designated bank accounts as at 30 June 2021 and at 31 December 2020, and will be released in accordance with certain construction progress milestones.
- (b) Cash and bank deposits are denominated in the following currencies:

	30 June 2021 RMB million	31 December 2020 RMB million
RMB	179,967	178,231
HKD	1,575	1,220
USD	1,272	1,349
RM	2,539	2,245
Other currencies	885	578
	186,238	183,623

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.

- (c) As at 30 June 2021, the balance of guarantee deposits for construction of pre-sale properties included in cash and cash equivalents was approximately RMB59,361 million (31 December 2020: RMB51,064 million).

NOTES TO THE INTERIM FINANCIAL INFORMATION

14 Financial assets at fair value through profit or loss

	30 June 2021 RMB million	31 December 2020 RMB million
Listed equity securities (note (a))	1,950	1,540
Unlisted equity investments (note (a))	5,796	3,273
Wealth management products (note (b))	7,486	1,783
	15,232	6,596

- (a) The investments mainly represent listed and unlisted equity investments in various industries. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price, recent transaction prices of similar deals or valuation reports.
- (b) Wealth management products are mainly investments in financial products issued by financial institutions. The carrying values of these investments approximated their fair values as at 30 June 2021 and 31 December 2020.

15 Trade and other payables

	30 June 2021 RMB million	31 December 2020 RMB million
Trade payables (note (a))	355,606	389,384
Other payables (note (b))	208,041	211,768
Other taxes payable (note (c))	49,089	49,275
Salaries payable	6,311	9,866
	619,047	660,293

- (a) The ageing analysis of trade payables based on the date of the liability recognition on accrual basis is as follows:

	30 June 2021 RMB million	31 December 2020 RMB million
Within 365 days	351,591	385,232
Over 365 days	4,015	4,152
	355,606	389,384

- (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 interest-free, unsecured and repayable according to contract terms.
- (c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB71,376 million (31 December 2020: RMB68,578 million), value-added taxes payable and other taxes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

16 Senior notes

	Six months ended 30 June	
	2021	2020
	RMB million	RMB million
At 1 January	73,410	64,893
Additions (note (a))	10,970	10,675
Early redemption (note (a))	(7,657)	–
Repayment upon maturity (note (a))	(950)	(6,233)
Interest expenses	2,142	2,220
Coupon interest paid	(2,118)	(1,936)
Exchange differences	(839)	964
At 30 June	74,958	70,583
Less : current portion included in current liabilities	(3,941)	(7,430)
Included in non-current liabilities	71,017	63,153

- (a) During the period, the Group has newly issued senior notes and repaid senior notes on maturity or before maturity as follows:

Name of notes	Par value million	Interest rate	Issue date	Term of the notes
Issued during the period:				
2026 Notes IV	USD500	2.700%	12 January 2021	5.5 years
2031 Notes	USD700	3.300%	12 January 2021	10 years
2025 Note IV - tranche II*	USD500	3.125%	18 May 2021	4.4 years
Repaid during the period on maturity:				
2021 Notes II	RMB950	5.800%	12 March 2018	3 years
Repaid during the period before maturity:				
2022 Notes III (note (i))	USD550	7.125%	25 January 2019	3 years
2023 Notes II (note (ii))	USD650	4.750%	28 September 2016	7 years

* 2025 Note IV – tranche II was consolidated and form a single series with the 2025 Note IV

NOTES TO THE INTERIM FINANCIAL INFORMATION

16 Senior notes *(Continued)*

- (i) On 5 February 2021 (the "Redemption Date I"), all the outstanding 2022 Notes III were early redeemed at a redemption price equal to 103.5625% of the principal amount thereof, plus accrued and unpaid interest of approximately USD1 million up to the Redemption Date I. The total redemption price paid by the Company on the Redemption Date I was approximately USD571 million. The excess of the redemption price over the carrying amount of the 2022 Notes III amounting to USD549 million (equivalent to approximately RMB3,545 million), on the Redemption Date I, which is approximately USD22 million (equivalent to approximately RMB141 million), was charged to profit or loss under 'finance income — net'.
 - (ii) On 11 June 2021 (the "Redemption Date II"), all the outstanding 2023 Notes II were early redeemed at a redemption price equal to 102.375% of the principal amount thereof, plus accrued and unpaid interest of approximately USD6 million up to the Redemption Date II. The total redemption price paid by the Company on the Redemption Date II was approximately USD672 million. The excess of the redemption price over the carrying amount of the 2023 Notes II amounting to USD651 million (equivalent to approximately RMB4,112 million) on the Redemption Date II, which is approximately USD21 million (equivalent to approximately RMB137 million), was charged to profit or loss under 'finance income — net'.
- (b) As at 30 June 2021, 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 date and at 30 June 2021 and 31 December 2020.

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 Corporate bonds

	Six months ended 30 June	
	2021 RMB million	2020 RMB million
At 1 January	40,480	46,400
Additions (note (a))	6,476	9,940
Repayment	(9,265)	(7,000)
Interest expenses	961	1,405
Coupon interest paid	(653)	(514)
Exchange differences	(85)	(17)
At 30 June	37,914	50,214
Less: current portion included in current liabilities	(18,022)	(29,202)
Included in non-current liabilities	19,892	21,012

(a) During the period, corporate bonds newly issued by the Group were listed as follows:

Name of bonds	Par value RMB million	Interest rate	Issue date	Term of the bonds
RMB corporate bonds of Giant Leap issued in 2021 — tranche I*	2,000	4.27%	8 January 2021	4 years
RMB medium-term notes of Giant Leap issued in 2021 — tranche I	1,000	4.70%	6 May 2021	4 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche I**	2,000	4.80%	12 March 2021	5 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche II**	1,100	4.80%	15 June 2021	5 years
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche VIII	158	3.75%	5 April 2021	1 year
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche IX	79	4.90%	4 May 2021	5 years
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche VI	160	3.75%	4 March 2021	1 year

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

** The corporate bonds are listed on the Shenzhen 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 put option and coupon rate adjustment options were insignificant on initial recognition date and at 30 June 2021 and 31 December 2020.

NOTES TO THE INTERIM FINANCIAL INFORMATION

18 Bank and other borrowings

	30 June 2021 RMB million	31 December 2020 RMB million
Included in non-current liabilities:		
– Secured	128,860	121,768
– Unsecured	64,161	66,478
Less: current portion of non-current liabilities	(51,866)	(49,141)
	141,155	139,105
Included in current liabilities:		
– Secured	5,696	10,340
– Unsecured	7,277	8,737
Current portion of non-current liabilities	51,866	49,141
	64,839	68,218
Total bank and other borrowings	205,994	207,323

The Group's borrowings as at 30 June 2021 of RMB134,556 million (31 December 2020: RMB132,108 million) were secured by the Group's certain properties, right-of-use assets and equipment with total carrying values of RMB90,618 million (31 December 2020: RMB87,099 million), and/or equity investment interests.

The weighted average effective interest rate was 5.81% per annum for the six months ended 30 June 2021 (six months ended 30 June 2020: 6.45% 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 2021 RMB million	31 December 2020 RMB million
RMB	159,989	159,982
HKD	15,495	16,543
USD	22,733	22,851
RM	3,247	3,397
Others	4,530	4,550
	205,994	207,323

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 2020, 30 June 2020, 1 January 2021 and 30 June 2021, HKD0.10 per share	100,000	10,000					
Issued and fully paid							
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
At 1 January 2021	22,035	2,203	2,067	31,687	33,754	(2,259)	31,495
Exercise of employee share schemes	13	1	1	63	64	52	116
At 30 June 2021	22,048	2,204	2,068	31,750	33,818	(2,207)	31,611

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	RMB million		
Balance at 1 January 2021	(150)	17,699	1,424	1,088	(1,752)	869	(130)	686	(2,277)	17,457	126,150	143,607	
Profit for the period	-	-	-	-	-	-	-	-	-	-	14,996	14,996	
2020 final dividend (note 25)	-	-	-	-	-	-	-	-	-	-	(5,508)	(5,508)	
Revaluation gains on investment properties upon transfers from right-of-use assets	-	-	-	-	-	27	-	-	-	27	-	27	
Employee share schemes													
– Value of employee services	-	-	207	-	-	-	-	-	-	207	-	207	
– Exercise of employee share schemes	-	-	(20)	-	-	-	-	-	-	(20)	-	(20)	
Changes in fair value of financial assets at FVOCI	-	-	-	372	-	-	-	-	-	372	-	372	
Disposals of financial assets at FVOCI	-	-	-	(1,531)	-	-	-	-	-	(1,531)	1,531	-	
Partial cancellation of written call options	-	-	-	-	-	-	-	-	(53)	(53)	3	(50)	
Changes in ownership interests in subsidiaries without change of control	-	-	-	-	-	-	-	-	(292)	(292)	-	(292)	
Currency translation differences	-	-	-	-	(420)	-	-	-	-	(420)	-	(420)	
Disposals of subsidiaries	-	(31)	-	-	-	-	-	-	-	(31)	31	-	
Deferred gains on cash flow hedges	-	-	-	-	-	-	4	-	-	4	-	4	
Deferred costs of hedging	-	-	-	-	-	-	-	(53)	-	(53)	-	(53)	
Balance at 30 June 2021	(150)	17,668	1,611	(71)	(2,172)	896	(126)	633	(2,622)	15,667	137,203	152,870	
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	-	-	-	-	-	-	-	-	-	-	(7,492)	(7,492)	
Employee share schemes													
– Value of employee services	-	-	216	-	-	-	-	-	-	216	-	216	
– Exercise of employee share schemes	-	-	(9)	-	-	-	-	-	-	(9)	-	(9)	
Changes 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	

NOTES TO THE INTERIM FINANCIAL INFORMATION

21 Other income and gains – net

	Six months ended 30 June	
	2021	2020
	RMB million	RMB million
Other income		
– Management and other related service income	494	651
– Forfeiture income	105	113
– Government subsidy income	182	139
	781	903
Other gains		
– Gains arising from negative goodwill (note 29)	131	438
– Gains on disposals of subsidiaries (note 28)	259	256
– (Losses)/gains on disposals of property, plant and equipment	(14)	9
– Changes in fair value of financial assets at FVTPL	1,091	(136)
– Changes in fair value of derivative financial instruments	(26)	123
– Others	(483)	287
	958	977
Total other income and gains – net	1,739	1,880

22 Expenses by nature

	Six months ended 30 June	
	2021	2020
	RMB million	RMB million
Cost of property sold and construction services	186,463	138,313
Employee benefit expenses	7,953	7,241
Advertising and promotion costs	2,040	1,945
Sales commission to agents	1,968	1,734
Other taxes and levies	1,365	1,434
Property management and other services expenses	966	594
Depreciation of property, plant and equipment	972	517
Donations	277	429
Depreciation of right-of-use assets	142	201
Amortisation of intangible assets	129	120
Others	1,575	2,040
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	203,850	154,568

NOTES TO THE INTERIM FINANCIAL INFORMATION

23 Finance income – net

	Six months ended 30 June	
	2021 RMB million	2020 RMB million
Finance income:		
– Interest income on bank deposits and others	1,350	2,508
– Net foreign exchange gains	831	–
	2,181	2,508
Finance costs:		
– Interest expenses for bank borrowings, senior notes, corporate bonds and others	(9,791)	(12,398)
– Interest expenses for lease liabilities	(20)	(23)
	(9,811)	(12,421)
Less: amounts capitalised on qualifying assets	9,811	12,421
	–	–
– Net foreign exchange losses	–	(622)
– Early redemption costs of senior notes (note 16)	(278)	–
	(278)	(622)
Finance income – net	1,903	1,886

NOTES TO THE INTERIM FINANCIAL INFORMATION

24 Income tax expenses

	Six months ended 30 June	
	2021	2020
	RMB million	RMB million
Current income tax		
— Corporate income tax	12,865	11,149
— Land appreciation tax (note (c))	7,392	6,460
	20,257	17,609
Deferred income tax	(5,432)	(3,648)
	14,825	13,961

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2020:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) The Mainland China corporate income tax rate is 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 for dividend distributed and undistributed profit of 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 24 August 2021, the Board declared an interim dividend of RMB20.98 cents per share for the six months ended 30 June 2021, totalling RMB4,717 million (2020 interim dividend: RMB20.55 cents per share, totalling RMB4,528 million) with the eligible shareholders being given an option to elect to receive such interim dividend all in new shares of the Company, or partly in new shares of the Company and partly in cash, or all in cash. This interim dividend has not been recognised as liabilities in this interim financial information.

The final dividend in respect of 2020 of RMB24.98 cents (equivalent to HKD30.40 cents) per share, totalling RMB5,508 million approved at the annual general meeting of the Company on 24 May 2021 has been paid partly in new shares of the Company and partly in cash in August 2021.

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	
	2021	2020
Profit attributable to owners of the Company (RMB million)	14,996	14,132
Weighted average number of ordinary shares in issue (million)	21,763	21,569
Earnings per share — Basic (RMB yuan per share)	0.69	0.66

(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 2021.

	Six months ended 30 June	
	2021	2020
Profit attributable to owners of the Company (RMB million)	14,996	14,132
Interest expense on convertible bonds (RMB million)	301	—
Profit attributable to owners of the Company used to determine diluted earnings per share (RMB million)	15,297	14,132
Weighted average number of ordinary shares in issue (million)	21,763	21,569
Adjustments — share options, awarded shares and convertible bonds (million)	725	723
Weighted average number of ordinary shares for diluted earnings per share (million)	22,488	22,292
Earnings per share — Diluted (RMB yuan per share)	0.68	0.63

NOTES TO THE INTERIM FINANCIAL INFORMATION

27 Guarantees

	30 June 2021 RMB million	31 December 2020 RMB million
Guarantees in respect of mortgage facilities for certain property buyers (note (a))	393,847	381,302
Guarantees to joint ventures associates and other related parties in respect of liabilities (note (b))	60,296	64,603
	454,143	445,905

- (a) These represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain property 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 Group considers that in case of default in payments by property buyers, 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	1,264
– Outstanding and included in other receivables	667
– Fair value of investments in joint ventures and associates upon transfers from subsidiaries	1,013
	2,944
Less:	
– Total net assets of subsidiaries disposed of	(3,370)
– Non-controlling interests disposed of	685
Gains on disposals	259
Cash proceeds from disposals, net of cash disposed of	
– Cash consideration received	1,264
– Less: cash and cash equivalents in the subsidiaries disposed of	(597)
Net cash inflow on disposals	667

NOTES TO THE INTERIM FINANCIAL INFORMATION

29 Business combinations

Business combinations during the period mainly included the acquisitions of interest in various property development companies and acquisitions of additional interests in the 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 consideration	
— Cash	940
— Fair value of investments in joint ventures and associates held before business combinations	743
	1,683
Total recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2,819
Restricted cash	110
Property, plant and equipment	3
Properties under development and completed properties held for sale	36,721
Prepaid income tax	1,578
Contract assets and contract acquisition costs	392
Trade and other receivables	17,938
Deferred income tax assets	485
Bank and other borrowings	(8,337)
Trade and other payables	(10,737)
Contract liabilities	(35,594)
Current income tax liabilities	(2,757)
Deferred income tax liabilities	(616)
	2,005
Total identifiable net assets	2,005
Non-controlling interests	(191)
Negative goodwill	(131)
	1,683
Inflow of cash to acquire business, net of cash acquired	
— Cash considerations	(940)
— Cash and cash equivalents in the subsidiaries acquired	2,819
	1,879
Net cash inflow on acquisitions	1,879

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 acquired businesses contributed total revenues of RMB16,884 million and net profit of RMB2,226 million to the Group for the period from their respective acquisition dates to 30 June 2021. Had these companies been consolidated from 1 January 2021, the interim condensed consolidated income statement for the six months ended 30 June 2021 would show pro-forma revenue of RMB235,013 million and profit for the period of RMB22,432 million.

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	
	2021	2020
	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	2,249	1,460
Construction service income	9	41
Purchase of property management and related services	966	594
Property lease income	6	–
Other transactions	204	286
(ii) Joint ventures:		
Provision of guarantee in respect of borrowings	52,157	52,618
Construction service income	4,138	2,334
Other transactions	673	471
(iii) Associates:		
Provision of guarantee in respect of borrowings	8,054	16,186
Construction service income	655	907
Other transactions	767	595

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	
	2021	2020
	RMB million	RMB million
Salaries, bonus, share-based compensation expenses and other employee benefits	159	149

(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
	2021	2020
	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	2,092	2,214
Contract assets and contract acquisition costs	20	39
Trade and other payables	4,695	3,856
(ii) Joint ventures:		
Trade and other receivables	70,389	82,408
Contract assets and contract acquisition costs	3,554	3,158
Trade and other payables	57,894	57,607
(iii) Associates:		
Trade and other receivables	21,004	22,647
Contract assets and contract acquisition costs	1,033	1,039
Trade and other payables	21,665	25,251

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 2021, senior notes with principal amount of USD585 million (equivalent to approximately RMB3,779 million) (31 December 2020: USD591 million, equivalent to approximately RMB3,856 million) and USD30 million (equivalent to approximately RMB194 million) (31 December 2020: USD25 million, equivalent to approximately RMB163 million) and USD18 million (equivalent to approximately RMB116 million) (31 December 2020: USD18 million, equivalent to approximately RMB117 million) were held by Mr. YEUNG Kwok Keung, Mr. MO Bin and Ms. YANG Ziying 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. LI Chengran (*alternate to Ms. YANG Huiyan*)
 (appointed on 23 March 2021)
 Mr. LUO Jie (*alternate to Mr. MO Bin*)
 Mr. MA Ziling (*alternate to Ms. YANG Huiyan*)
 (resigned on 23 March 2021)

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

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
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
Certified Public Accountants
Registered Public Interest Entity Auditor

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 2021

Announcement of 2021 interim results	24 August
Ex-dividend date for interim dividend	14 September
Record Date for Eligible Shareholders to be entitled to interim dividend	20 September
Despatch of dividend warrants	26 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
“2021 AGM”	the annual general meeting of the Company held on 24 May 2021
“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
“Biyouxuan”	Guangdong Biyouxuan Commercial Holding Co., Ltd, a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Bright Dream Robotics”	Guangdong Bright Dream Robotics Co., Ltd., a wholly-owned subsidiary of the Company
“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”	realized earnings of this period attributable to owners of the Company excluding effects such as fair value changes and net foreign exchange gains/losses
“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
“Country Garden Agriculture”	Country Garden Agricultural Holding Co., Ltd., a wholly-owned subsidiary of the Company

GLOSSARY

“Country Garden Property”	Country Garden Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Eligible Shareholders”	the Shareholders whose names appear on the register of members of the Company on 20 September 2021
“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
“Giant Leap”	Guangdong Giant Leap Construction Co., Ltd., a wholly-owned subsidiary of the Company
“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
“Malaysia Country Garden”	Country Garden Real Estate Sdn. Bhd., a wholly-owned subsidiary of the Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“municipal administrative regions”	municipal administrative regions include prefecture-level cities, prefectures, autonomous prefectures, leagues, provincial-controlled divisions
“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

GLOSSARY

“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
“Qianxi Robotics” or “Qianxi”	Qianxi Robotics Group Co., Ltd., a wholly-owned subsidiary 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
“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

