

# COUNTRY GARDEN

Holdings Company Limited

碧桂園控股有限公司

Stock Code: 2007

(Incorporated in the Cayman Islands with limited liability)



2023  
Interim Report



COUNTRY GARDEN 碧桂園

给您一个五星级的家



# WHAT IS COUNTRY GARDEN?

**Country Garden is a high-tech conglomerate working for society's happiness.**

## **We are committed to robotics and technology-enabled construction**

The rapidly evolving, diverse technologies have culminated in the age of robotics. We commit ourselves to this wave of technological innovation by recruiting diverse talents. We draw on their expertise and harness the power of technology to create a better life for society and add impetus to the country's technological advancement and quality development.

We established Bright Dream Robotics to develop and apply construction robots, raising the level of intelligentization of construction work. Meanwhile, the company also develops, manufactures, and applies robots for catering, healthcare, agriculture, and services to communities.

We set up a technology-enabled construction group to develop a smart construction system that encompasses construction robots, a new type of prefabricated construction, smart equipment and digitalization through building information modeling (BIM). The effort aims at a perfect combination of workplace safety, quality, efficiency, environmental protection and technology. The company is also developing the businesses of undertaking housing construction and management projects for other parties, general contracting and labour sub-contracting as it initiates and promotes a transformation in the traditional construction sector.

## **We build good housing and good communities**

Country Garden devotes itself to China's new type of urbanization. In the spirit of the craftsman, we design and build safe, healthy, aesthetic, affordable, suitable, and long-lasting housing, which comes with exquisite interior decoration, scenic gardens, comprehensive amenities and thoughtful services to the residents. We have converted over 1,400 rural towns to modern cities across the country, and more than five million people

have chosen to make their homes in housing estates developed by Country Garden. We are proud to have contributed to the urbanization and modernization of our country.

## **We throw ourselves into modern agriculture and rural revitalization**

We have founded an agricultural company that applies unmanned machines to develop industrial agriculture. This raises productivity and improves both crop yields and quality to help maintain food security.

We have also set up Biyouxuan, a company that helps farmers set up farm bases and distribution channels that bring diverse, safe, delicious and affordable agricultural produce from fields to urban communities, serving tens of thousands of families nationwide.

## **We fulfil social responsibility**

We join charitable causes to promote common prosperity. Since its establishment, Country Garden, together with its founder, have donated a cumulative total of over RMB10 billion to charity and carried out its work in poverty alleviation and rural revitalization in 57 counties in 16 provinces across the country, benefitting 490,000 people. It will build on its achievements in poverty alleviation by helping to turn villages into harmonious and good places to live and work, thus contributing to rural revitalization.

Established in 1992, Country Garden was listed on the Stock Exchange of Hong Kong in 2007. It is also listed of Fortune Global 500. In the past three years, it has paid an average of over RMB50 billion in tax annually. Country Garden fosters loyalty to the Communist Party of China and patriotism in its corporate culture. It aspires to be a conscientious, socially responsible and transparent company that works diligently for China's modernization and the Chinese Dream of national rejuvenation.

**Country Garden — We are here to make society a better place.**

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## CORPORATE PROFILE



Country Garden • Jinhu Yuanzhu Project, Fujian Longyan

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 Hang Seng China 50 Index on 5 March 2018, and of Hang Seng SCHK Property Service and Management Index on 5 June 2023. 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



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 2022. The Group ranked 206th in Fortune Global 500 as of August 2023.

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

# 1 2

## 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.

12光年5-7栋

## CORE VALUES

3

**Corporate Mission:**

Make the world a better place for having us in it

4

**Corporate Spirit:**

Good for people and good for society

5

**Brand:**

Five-star living for you

**The Country  
Garden  
that I  
dream  
of**

- This is a company that brings together the best and the brightest
- This is a place where smart people come to excel
- This is a school where we learn to make ourselves better
- This is a big, happy family
- This is a company that values integrity, proper procedure, and the law
- This is a company of reason, always willing to correct itself
- This is a fair company, where hard work brings rewards
- This is a company that knows how to win, how to learn from experience, and apply what it learns
- This is a company that creates a happy life for the world
- This company is good for the community, good for the economy, and good for its employees
- This is a company that the public knows and loves
- This is a company that is always striving for progress and for humanity

— YEUNG Kwok Keung

# CHAIRMAN STATEMENT



**YANG Huiyan**  
Chairman

In 2023, the business environment remained challenging to the property sector. In the first half of the year, property sales in terms of floor area decreased by 5.3% year on year while investment in property development fell by 7.9% year on year. The shrinkage of the property sector, coupled with the not yet restored confidence of the capital market, exerted mounting pressure on the Company's business operation.

In the first half of 2023, the Group and its joint ventures and associates together delivered a total of nearly 278,000 housing units, ranking first in the industry in terms of delivery volume. Despite the difficult operating environment, the Company recorded approximately RMB226.31 billion in revenue, up by 39.4% year on year. However, to ensure punctual delivery of finished properties and the smooth business operation, the Company struck a balance between sales volume and selling price at some of its property projects. In addition, the low-margin projects in the early stage gradually delivered during the period, as well

as provision for impairment of property projects increased. All this placed great strain on both the gross profit and net profit. For the six months ended 30 June 2023 (the "Period"), the core net loss attributable to the owners of the Company was approximately RMB45.35 billion.

In terms of the business operation, for the six months ended 30 June 2023, the Group had entered into contracts to invest or had already invested in a total of 3,103 property projects in mainland China. It had footholds in 298 municipal administrative regions<sup>1</sup> and 1,398 counties/townships in 31 provinces/autonomous regions/municipalities with attributable salable resources totaling approximately RMB780.16 billion. During the Period, the Group and its joint ventures and associates together recorded approximately RMB128.76 billion in contracted sales attributable to the shareholders of the Company. The market's weakening expectations and sluggish demand still exerted downward pressure on the sales performance.

<sup>1</sup> Municipal administrative regions include prefecture-level cities, prefectures, autonomous prefectures, leagues, and province-controlled divisions.

## CHAIRMAN STATEMENT

In financial management, the Group's total interest-bearing debts decreased to RMB257.91 billion while its net gearing ratio was 50.1% as at 30 June 2023, which were still at low levels in the industry. Although the Company had already tried its best to arrange for the payment of the principal and interest of the financing which had been raised onshore and offshore, the Company's available cash balance kept decreasing due to the deteriorating sales performance and the weak environment for refinancing in the year. As a result, the Company is facing phased liquidity pressure.

The external environment of the property sector has already undergone an upheaval since 2021. Although the Company had already anticipated the market adjustment in the industry cycle, the profundity and persistence of the market's downtrend still caught the Company off guard. The Company had failed to adopt timely, stronger measures as we did not realize that a

profound change had already taken place in the supply-demand relationship in the property market. The Company had failed to grasp the potential risks associated with its disproportionately large investment in the property markets of third-, fourth- and lower-tier cities and those associated with the insufficient speed of decreasing the gearing ratio. It also had not taken timely, adequate measures to resolve the situation. All these shortcomings have led to the most severe difficulty that the Company has ever faced since its establishment. We feel deeply remorseful for our unsatisfactory performance. However, while reflecting on our faults, we should not lose sight of the path ahead. We should continue to shoulder our corporate social responsibility. On the one hand, the Company will continue to fulfil its responsibility as a business entity, reserve the allocated funds for their assigned purposes, stringently manage the presales of properties and closely monitor the use of the proceeds from such presales to ensure both the smooth operation of its



Country Garden • Dahe Chenzhang Project, Henan Zhoukou

## CHAIRMAN STATEMENT



Country Garden • IN+ Town Project, Hainan Lingshui

property projects nationwide and the punctual delivery of finished flats. On the other hand, the Company will also try its best to improve its operating cash flow by ensuring good sales performance, strive to revitalize under-performing assets and reducing inessential administrative expenses. Meanwhile, the Company has ample land reserves and sufficient net assets. It will consider adopting various debt management measures to resolve the phased liquidity pressure, thus maintaining the stable condition of its business operation, better preserving the value for its investors and protecting their interests. Furthermore, I will lead a special task force to strengthen the organization and leadership of the Group in the special situation, with the goal of steering the Company as a cohesive team through this very difficult time.

The Company started as a township enterprise and it is fortunate to have capitalized on the great epoch of China's new type of urbanization, growing into one of Fortune Global 500. We felt grateful for this and has been steadfastly fulfilling our original aspiration of "We are here to make society a better place" for 31 years. The more difficult the time is, the more determined we are to fulfil our original aspiration. Country Garden will remain committed to its corporate social responsibility and will never succumb to passive defeatism. The difficulties in the external environment can never block the Company's advancement.

## CHAIRMAN STATEMENT



Country Garden • Baiyue Qianwan, Shanghai

Having experienced this unprecedentedly hard time, we have now understood better that we should not be enchanted by the impressive business performance during the market's rapid growth. Similarly, we should not panic at severe difficulty when the housing market has gone into a profound adjustment. The Company remains fully confident about China's economic outlook and believes that the property sector will ultimately be back to the path of stable, healthy development after it has undergone the profound adjustment. We will take an all-out effort to reverse the difficult situation and pursue the new strategy of "One Core and Two Wings" for its development. We will continue to take a market-oriented approach and proactively explore new ways to develop its property development business, aiming for high-quality, sustainable development.

We must stay alert to risks and yet be hopeful about a bright future. On behalf of the board of directors, I would like to express my gratitude to the management and the entire staff for their hard work and contribution, and to all sections of society for their understanding and help to Country Garden. The Company will continue to have its feet on the ground, persevere in its endeavours, fulfil its mission and create value for society and shareholders alike through reforms.

**YANG Huiyan**

*Country Garden Holdings Company Limited  
Chairman*

Foshan, Guangdong Province,  
The PRC, 30th August 2023

# BUSINESS OVERVIEW

## PROPERTY DEVELOPMENT

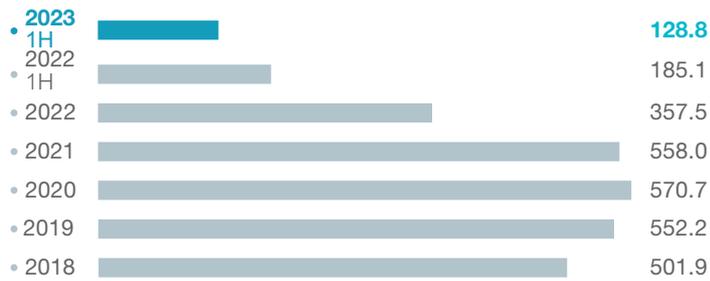
### Contracted Sales

In the first half of 2023, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB128.76 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 16.46 million sq.m.

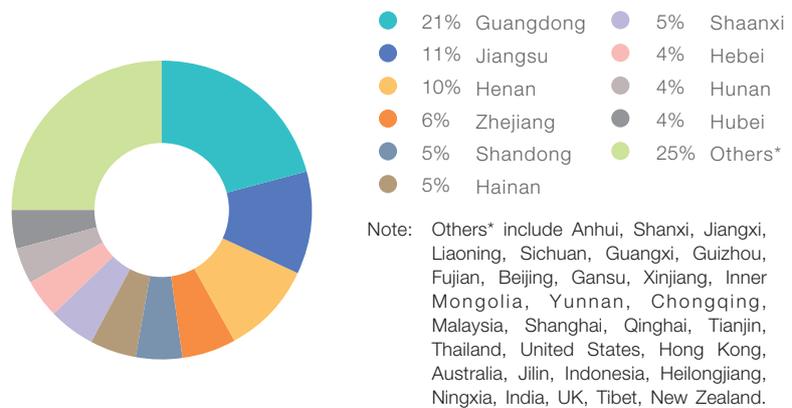
In the first half of 2023, the attributable contracted sales outside Guangdong Province was around 79% of that of the Group, reflecting the Group’s efforts in geographic diversification.

In terms of city types, around 63% of the attributable contracted sales in Mainland China was contributed by projects located in tier 3&4 cities targeting tier 3&4 cities, around 25% was contributed by projects located in tier 2 cities targeting tier 2 cities and around 12% was contributed by the others.

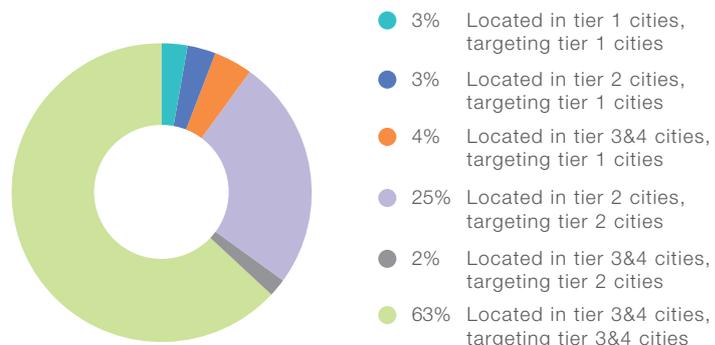
**Attributable contracted sales**  
(RMB billion)



**Geographical breakdown of contracted sales in the first half of 2023**  
(By Attributable Value)



**Contracted sales breakdown in Mainland China by city type in the first half of 2023**  
(By Attributable Value)



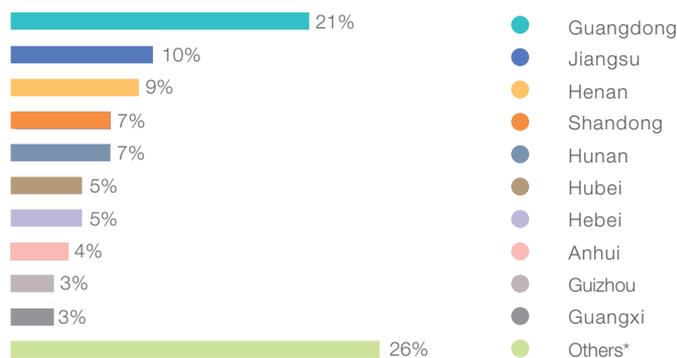
## BUSINESS OVERVIEW

## Landbank – Mainland China

As of 30 June 2023, the acquired attributable GFA in Mainland China together with its joint venture and associates was 170.98 million sq.m., 79% of the landbank was located outside of Guangdong province.

### Landbank breakdown by province in Mainland China

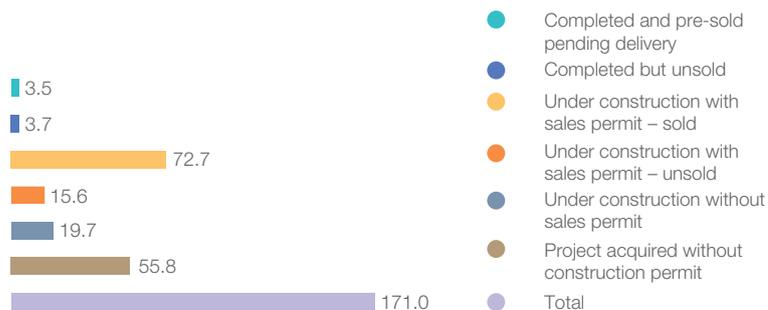
(By attributable GFA)



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

### Attributable landbank GFA breakdown by development stage in Mainland China

(million sq.m.)



## BUSINESS OVERVIEW

### Project Location

As of 30 June 2023, the Group operated 3,134 projects under different development stages, 3,103 of these projects were located in Mainland China and 31 were outside Mainland China.



## BUSINESS OVERVIEW

As of 30 June 2023, the Group's

**3,103** projects

in **Mainland China**

were located as follows:



## BUSINESS OVERVIEW

Top 100 Projects of Equity Contract Sales in Mainland China In the first half of 2023<sup>(1)</sup>

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.
1	Country Garden – Yunding (碧桂園雲頂)	Xi'an (Yanta)	923,043
2	Heart of Hainan (海南之心)	Haikou (Meilan)	1,168,019
3	Country Garden – Guanlan (碧桂園•觀瀾)	Jinhua (Yiwu)	198,041
4	Country Garden – Gaoxin Yunshu (碧桂園•高新雲墅)	Xi'an (Yanta)	294,679
5	Country Garden – Zique Terrace (碧桂園•紫闕台)	Ningbo (Cixi)	299,340
6	Country Garden – Haitang Prosperity (碧桂園•海棠盛世)	Lingshui (Lingshui)	643,824
7	Country Garden – Yujingtai (碧桂園•瑜璟臺)	Dongguan (Chashan)	241,000
8	Country Garden – Phoenix (碧桂園•鳳凰城)	Zhenjiang (Jurong)	6,911,161
9	Country Garden – Sun City (碧桂園•太陽城)	Shaoguan (Wujiang)	3,877,145
10	Country Garden – Yunding (碧桂園•雲頂)	Taiyuan (Yingze)	447,707
11	Qiangdeng Sunshine and Moonlight Project (千燈日月光項目)	Suzhou (Kunshan)	483,505
12	Country Garden – Yunyue Bizhen (碧桂園•雲樾碧臻)	Foshan (Nanhai)	238,235
13	Country Garden – Pangshan Cuidi (碧桂園•畔山翠堤)	Sanya (Jiyang)	99,289
14	Country Garden Southwest Uptown (碧桂園西南上城)	Guiyang (Guanshan Lake)	2,945,087
15	Country Garden Century Center (碧桂園•世紀中心)	Foshan (Shunde)	158,473
16	Daji Lianxi Garden (大集蓮溪花園)	Wuhan (Caidian)	173,603
17	Country Garden – Xinglong Lake (碧桂園•興隆湖畔)	Wanning (Wanning)	119,465
18	Country Garden – Qingtang Lake (碧桂園•青塘湖)	Huizhou (Huicheng)	243,454
19	Country Garden – Phoenix City (碧桂園•鳳凰城)	Xi'an (Weiyang)	1,616,057
20	Sanya United Plaza (三亞聯合廣場)	Sanya (Tianya)	109,523
21	Lanzhou Country Garden (蘭州碧桂園)	Lanzhou (Chengguan)	5,742,137
22	Asian Games City (亞運城)	Guangzhou (Panyu)	1,060,524
23	Country Garden Phoenix (碧桂園鳳凰城)	Baoji (Weibin)	1,052,568
24	Country Garden – Boyue Xiang Wan (碧桂園•柏悅翔灣)	Shanghai (Jiading)	65,470
25	Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	4,047,921
26	Country Garden – Jiuzhang Fu (碧桂園•九璋賦)	Lianyungang (Ganyu)	285,295

## BUSINESS OVERVIEW

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>				Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	Estimated completion date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.			sq.m.
				876,219	687,876	2020/1/23	2nd Quarter, 2026	46,824
251,466	233,892	4,310	2022/12/1	279,726	140,190	2020/9/22	4th Quarter, 2027	636,827
				198,041	79,594	2021/12/21	1st Quarter, 2025	
				294,679	237,454	2021/8/26	3rd Quarter, 2025	
				299,340	240,655	2021/5/27	3rd Quarter, 2024	
84,744	76,638	298	2021/6/1	144,097	35,946	2021/1/26	4th Quarter, 2025	414,983
				241,000	92,134	2021/12/22	3rd Quarter, 2026	
4,698,679	4,546,361	1,693	2022/9/19	647,621	345,244	2021/12/29	4th Quarter, 2027	1,564,861
2,425,433	2,424,948	485	2023/5/23	586,056	405,977	2021/9/14	4th Quarter, 2027	865,656
				321,674	263,920	2020/11/26	4th Quarter, 2025	126,033
				364,252	77,374	2022/1/30	2nd Quarter, 2026	119,253
134,132	119,937	11,399	2022/9/9	104,103	67,400	2020/10/27	1st Quarter, 2025	
99,289	190	88,919	2022/11/25					
1,290,272	1,150,167	80,768	2023/6/26	1,105,056	208,668	2019/10/14	4th Quarter, 2025	549,759
				120,109	43,294	2022/8/12	3rd Quarter, 2025	38,364
173,603		120,211	2021/10/29					
58,449	38,083	3,492	2022/6/30	61,016	7,059	2021/8/26	3rd Quarter, 2024	
				139,856	63,954	2022/6/17	4th Quarter, 2026	103,598
1,415,274	1,415,029	244	2023/5/23	138,216	128,563	2021/8/18	4th Quarter, 2024	62,567
103,456	93,436	422	2022/10/9	6,067	1,278	2021/8/20	4th Quarter, 2023	
3,358,925	3,343,062	336	2023/6/26	494,743	461,288	2020/11/18	3rd Quarter, 2025	1,888,469
811,055	807,522	3,428	2022/11/22	192,176	105,179	2021/3/30	2nd Quarter, 2025	57,293
461,388	458,152	1,807	2022/12/26	286,884	193,266	2021/6/17	4th Quarter, 2025	304,296
				65,470	64,640	2022/6/30	3rd Quarter, 2024	
3,295,136	3,290,772	843	2022/8/12	410,599	234,892	2021/3/12	4th Quarter, 2027	342,186
52,232	51,632	446	2022/11/1	221,877	146,320	2021/6/28	4th Quarter, 2025	11,186

## BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.
27	Country Garden – Xiliu Lake (碧桂園•西流湖)	Zhengzhou (Gaoxin)	767,177
28	Country Garden – Golden Era (碧桂園•黃金時代)	Shangrao (Xinzhou)	263,090
29	Country Garden – Tianyue (碧桂園•天悅)	Luoyang (Old City)	169,566
30	Country Garden – Phoenix City (碧桂園•鳳凰城)	Zhengzhou (Zhongyuan)	655,975
31	Country Garden – Yunding (碧桂園•雲頂)	Zhengzhou (Gaoxin)	89,911
32	Country Garden – Shengshi Dongjin (碧桂園•盛世東津)	Xiangyang (Dongjin)	190,330
33	Country Garden – Tangyue Mansion (碧桂園•棠樾府)	Shaoxing (Shengzhou)	149,739
34	Country Garden – Yunlu Jiuli (碧桂園•雲麓九裡)	Liaocheng (Dongchangfu)	167,158
35	Country Garden – Xingyue Bay (碧桂園•星月灣)	Wenzhou (Longgang)	98,077
36	Country Garden – Longyue Tianchen (碧桂園•瓏悅天宸)	Xining (Chengzhong)	163,241
37	Country Garden – Jade Tianlu (碧桂園•翡翠天麓)	Tangshan (Qian'an)	171,431
38	Country Garden – Phoenix (碧桂園•鳳凰城)	Zhongshan (South District)	940,290
39	Country Garden – Binjiang Bay (碧桂園•濱江灣)	Jiangmen (Pengjiang)	224,027
40	Country Garden – Phoenix Bay (碧桂園•鳳凰灣)	Yangjiang (Yangdong)	824,448
41	Country Garden City Garden (碧桂園城市花園)	Maoming (Dianbai)	2,465,303
42	Country Garden – Xinghui (碧桂園•星匯)	Liaocheng (Dongchangfu)	271,770
43	Country Garden – fengqitai (碧桂園•鳳棲台)	Datong (Pingcheng)	404,854
44	Country Garden – Fenghuang Yipin (碧桂園•鳳凰壹品)	Liaocheng (Dongchangfu)	183,763
45	Country Garden – Longyue Oriental (碧桂園•瓏悅東方)	Yunfu (Luoding)	259,730
46	Yanshan Road Country Garden (斧山路碧桂園)	Suzhou (Taicang)	124,993
47	Country Garden – Yunding (碧桂園•雲頂)	Yuncheng (Salt Lake)	194,287
48	Country Garden – Jiangyucheng (碧桂園•江嶼城)	Jiujiang (Xiushui)	341,693
49	Country Garden Times City (碧桂園時代城)	Zhengzhou (Guancheng)	544,198
50	Country Garden – Century City (碧桂園•世紀城)	Maoming (Xinyi)	413,583
51	Country Garden – Binjiang Mansion (碧桂園•濱江府)	Huizhou (Boluo)	382,049
52	Country Garden Mountain Lake City – Mingmen (碧桂園山湖城•名門)	Qingyuan (Qingcheng)	174,736
53	Country Garden – Yonghua Mansion (碧桂園•雍華府)	Handan (Fuxing)	224,902
54	Country Garden – Sanyuanli (碧桂園•三元里)	Urumqi (Tianshan)	449,845

## BUSINESS OVERVIEW

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>				Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	Estimated completion date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.			sq.m.
533,467	531,307	880	2023/6/30	233,710	223,552	2021/12/31	4th Quarter, 2023	
				252,630	194,573	2021/4/16	4th Quarter, 2025	10,460
				169,566	117,442	2021/7/23	3rd Quarter, 2025	
64,185	64,185		2023/5/29	488,489	331,637	2020/7/30	4th Quarter, 2025	103,301
				89,911	61,011	2021/8/7	4th Quarter, 2024	
				136,769	80,873	2022/1/7	4th Quarter, 2025	53,561
				149,739	86,135	2021/9/28	4th Quarter, 2024	
				167,158	146,657	2021/5/31	4th Quarter, 2025	
				98,077	88,593	2021/12/7	2nd Quarter, 2025	
				163,241	113,127	2021/3/31	2nd Quarter, 2025	
				171,431	138,952	2021/7/15	4th Quarter, 2025	
509,607	509,468		2023/6/1	324,719	221,537	2021/5/27	4th Quarter, 2025	105,964
				137,366	79,438	2021/12/16	3rd Quarter, 2026	86,661
325,321	325,073	248	2022/8/15	341,764	186,297	2020/12/11	4th Quarter, 2025	157,363
1,297,915	1,242,853	49,642	2023/6/21	141,063	64,150	2021/2/3	4th Quarter, 2026	1,026,325
				271,770	231,468	2021/6/18	3rd Quarter, 2025	
				404,854	294,082	2020/9/30	4th Quarter, 2026	
				153,979	107,547	2021/12/17	2nd Quarter, 2025	29,784
				135,980	94,964	2021/12/24	4th Quarter, 2025	123,750
25,742	25,742		2023/3/31	99,251	77,713	2021/3/25	3rd Quarter, 2024	
				194,287	175,383	2020/9/18	4th Quarter, 2024	
				292,911	214,726	2021/6/4	2nd Quarter, 2025	48,782
259,972	259,732		2023/5/30	284,226	217,612	2020/4/26	4th Quarter, 2024	
109,899	107,715	2,184	2023/6/20	303,684	244,201	2020/12/11	4th Quarter, 2025	
291,154	280,916	7,987	2023/2/20	90,895	41,699	2021/12/17	2nd Quarter, 2024	
				174,736	73,894	2022/4/21	4th Quarter, 2025	
				224,902	178,721	2020/10/30	2nd Quarter, 2025	
				132,400	70,858	2021/10/22	3rd Quarter, 2025	317,445

## BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.
55	Donghu Country Garden (東湖碧桂園)	Jiangmen (Pengjiang)	90,142
56	Country Garden – Boyue Mansion (碧桂園•鉞樾府)	Langfang (Wen'an)	220,133
57	Urumqi Country Garden (烏魯木齊碧桂園)	Urumqi (Midong)	562,183
58	Country Garden – Xinghe City (碧桂園•星河城)	Baoding (Jingxiu)	208,214
59	Country Garden – Yunding Mansion (碧桂園•雲頂府)	Huzhou (Nanxun)	83,613
60	Country Garden – Jianglanyue (碧桂園•江蘭樾)	Shaoguan (Wengyuan)	268,087
61	Country Garden – Jiuhuatai (碧桂園•玖華台)	Xinxiang (Changyuan)	201,860
62	Country Garden – Golden Beach (碧桂園•金沙灘)	Lingao (Lingao)	702,994
63	Country Garden – Jiangshan Fu (碧桂園•江山賦)	Yibin (Jingkai)	246,866
64	Country Garden Lukou (碧桂園祿口)	Nanjing (Jiangning)	71,637
65	Lvliang Country Garden (呂梁碧桂園)	Lv Liang (Lishi)	327,447
66	Country Garden – Phoenix Villa (碧桂園•鳳凰山莊)	Yantai (Laishan)	617,489
67	Country Garden – Nanhai Yuecheng (碧桂園•南海悅城)	Foshan (Nanhai)	101,903
68	Country Garden – Phoenix Star (碧桂園•鳳凰星著)	Zibo (Zhangdian)	217,149
69	Country Garden – Guanlan Mansion (碧桂園•觀瀾府)	Zhanjiang (Lianjiang)	194,437
70	Xiangcheng Country Garden (項城碧桂園)	Zhoukou (Xiangcheng)	354,381
71	Country Garden – Longyue (碧桂園•瓏悅)	Luoyang (Luolong)	85,364
72	Country Garden – Phoenix Bay (碧桂園•鳳凰灣)	Langfang (Anci)	89,036
73	Country Garden – Riverside Era (碧桂園•濱江時代)	Meizhou (Fengshun)	640,009
74	Country Garden – Phoenix (碧桂園•鳳凰城)	Qiannan (Longli)	1,150,323
75	Country Garden – Yunxi (碧桂園•雲璽)	Jinzhong (Yuci)	112,698
76	Country Garden – Northern City Light (碧桂園•北城之光)	Shaoguan (Nanxiong)	110,888
77	Country Garden – Chama Ancient Town (碧桂園•茶馬古鎮)	Guiyang (Qingzhen)	1,257,591
78	Country Garden – Shuanghu City (碧桂園•雙湖城)	Zhengzhou (Xinzheng)	328,669
79	Country Garden – Yunzhu (碧桂園•雲著)	Shaoguan (Wujiang)	220,669
80	Country Garden Jade Park (碧桂園•翡翠公園)	Qinhuangdao (Haigang)	135,961

## BUSINESS OVERVIEW

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>				Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	Estimated completion date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.			sq.m.
				68,274	43,926	2022/4/15	4th Quarter, 2025	21,868
109,492	109,306		2022/7/29	110,641	53,623	2020/9/29	1st Quarter, 2026	
349,895	336,093	13,672	2022/6/10	210,902	179,030	2020/10/20	2nd Quarter, 2025	1,386
				121,231	46,653	2022/4/28	4th Quarter, 2025	86,983
				83,613	46,736	2021/12/18	3rd Quarter, 2024	
				268,087	259,835	2020/9/27	3rd Quarter, 2025	
				201,860	193,341	2021/8/11	3rd Quarter, 2025	
702,994	606,716	2,197	2021/9/17					
166,936	166,880	56	2023/6/29	79,930	61,466	2021/11/30	3rd Quarter, 2024	
				71,637	51,868	2021/7/13	4th Quarter, 2024	
54,675	54,675		2023/6/15	272,772	248,029	2021/4/28	4th Quarter, 2024	
242,221	240,350	1,871	2021/12/17	222,289	171,198	2019/11/21	4th Quarter, 2025	152,979
				101,903	26,525	2022/7/14	4th Quarter, 2025	
				217,149	141,352	2021/5/13	3rd Quarter, 2025	
				110,069	48,376	2022/4/29	3rd Quarter, 2027	84,368
				354,381	332,288	2021/5/14	2nd Quarter, 2025	
				85,364	58,664	2021/11/13	3rd Quarter, 2024	
				89,036	52,670	2021/9/30	4th Quarter, 2025	
134,955	134,452	354	2023/5/19	201,027	162,614	2021/1/28	4th Quarter, 2026	304,027
398,005	396,835	180	2023/4/26	141,101	91,310	2020/4/23	2nd Quarter, 2025	611,217
				112,698	64,853	2021/12/30	4th Quarter, 2025	
				110,888	79,064	2021/11/5	3rd Quarter, 2025	
566,122	561,170	4,492	2023/5/16	101,248	52,163	2020/6/30	2nd Quarter, 2025	590,221
111,667	111,597		2022/7/13	160,846	111,875	2021/2/3	4th Quarter, 2025	56,156
				138,179	78,877	2021/12/27	4th Quarter, 2025	82,490
				41,882	15,493	2023/2/17	3rd Quarter, 2025	94,079

## BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project sq.m.
81	Country Garden – Scholarly Gate (碧桂園•書香名門)	Wuhu (Fanchang)	93,220
82	Country Garden – Lingshu (碧桂園•領墅)	Xinyang (Yangshan New Area)	270,423
83	Country Garden, Linhu Avenue, FenHu (汾湖臨滬大道碧桂園)	Suzhou (Wujiang)	72,155
84	Country Garden – Xingchen Yayuan (碧桂園•星辰雅苑)	Hefei (Changfeng)	127,300
85	Country Garden – Metropolitan Light (碧桂園•都會之光)	Lishui (Liandu)	57,148
86	Country Garden – Xingdu Huaifu (碧桂園•星都華府)	Shantou (Chaoyang)	197,242
87	Country Garden – Cuihu Bay (碧桂園•翠湖灣)	Heyuan (Zijin)	276,757
88	Country Garden – Dragon City Era (碧桂園•龍城時代)	Quzhou (Longyou)	115,063
89	Country Garden – Duqiao Mansion (碧桂園•杜橋府)	Taizhou (Lin Hai)	75,294
90	Yihe Country Garden – Lion Riding Fudi (頤和碧桂園•獅乘福第)	Cangzhou (Yunhe)	138,238
91	Country Garden – Bajingtai (碧桂園•八景台)	Huanggang (Xishui)	292,141
92	Country Garden – Phoenix Xingyue (碧桂園•鳳凰星樾)	Dezhou (Qingyun)	115,901
93	Country Garden – Fengming Yuehai (碧桂園•鳳鳴閱海)	Danzhou (Danzhou)	60,490
94	Country Garden – Park Uptown (碧桂園•公園上城)	Shangqiu (Suiyang)	207,759
95	Country Garden Smart city (碧桂園智慧城市)	Changsha (Yuelu)	517,828
96	Country Garden – Purple Cloud Terrace (碧桂園•紫雲台)	Xuchang (Xiangcheng)	131,504
97	Xin'an Country Garden (新安碧桂園)	Luoyang (Yibin)	296,414
98	Country Garden – Xingyue (碧桂園•星樾)	Shaoguan (Ruyuan)	110,014
99	Country Garden – Xiaofeng Yinyue (碧桂園•曉風印月)	Huzhou (Nanxun)	92,227
100	Country Garden Guangfo Shangcheng (碧桂園廣佛上城)	Foshan (Nanhai)	167,541

Note:

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

## BUSINESS OVERVIEW

Completed property developments <sup>(2)</sup>				Properties under development <sup>(3)</sup>				Properties for future development <sup>(4)</sup>
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/Estimated pre-sale commencement date	Estimated completion date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.			sq.m.
				93,220	82,903	2021/8/5	4th Quarter, 2024	
93,169	92,452	362	2023/6/28	164,546	145,468	2021/1/30	2nd Quarter, 2025	12,708
72,155	59,752	2,171	2020/11/3					
				87,782	33,745	2021/12/24	4th Quarter, 2025	39,518
				57,148	52,052	2020/12/25	4th Quarter, 2023	
				90,665	71,797	2021/5/17	2nd Quarter, 2025	106,577
				137,488	100,296	2021/5/31	4th Quarter, 2026	139,269
				115,063	87,447	2021/5/20	3rd Quarter, 2024	
75,294	75,294		2020/6/29					
				138,238	58,998	2021/9/10	4th Quarter, 2025	
38,109	37,923	186	2023/4/14	137,579	81,115	2021/4/26	4th Quarter, 2026	116,453
				115,901	89,667	2021/10/29	2nd Quarter, 2025	
60,490	19,093	36,976	2022/11/18					
82,266	82,266		2023/3/17	99,076	85,967	2021/4/30	2nd Quarter, 2024	26,417
93,145	85,011	6,983	2022/10/25	318,634	133,906	2021/7/14	4th Quarter, 2026	106,049
				109,685	79,286	2021/12/24	4th Quarter, 2025	21,819
151,125	94,211	55,738	2023/5/26	145,289	136,831	2020/6/2	2nd Quarter, 2025	
				110,014	69,553	2021/9/30	4th Quarter, 2025	
				92,227	57,775	2021/12/18	4th Quarter, 2024	
167,541	161,720		2022/9/2					

## BUSINESS OVERVIEW

### Landbank GFA breakdown by location in Mainland China<sup>(1)</sup>

Province/ Location	Aggregate saleable GFA  sq.m.	Completed property developments <sup>(2)</sup>			Properties under development <sup>(3)</sup>		Properties for future development <sup>(4)</sup>
		Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Total saleable GFA under development	Total saleable GFA pre-sold	GFA for future development
		sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
Guangdong	140,686,517	106,945,171	104,729,794	1,126,764	17,852,513	9,725,943	15,888,833
Jiangsu	54,568,604	38,556,193	37,719,570	293,803	11,413,629	7,173,425	4,598,782
Anhui	41,959,308	35,978,750	35,843,797	91,466	5,226,290	4,140,264	754,268
Hunan	34,314,585	22,926,960	22,645,638	89,565	6,367,693	4,247,038	5,019,932
Henan	34,075,540	18,699,184	18,326,378	219,686	12,346,595	9,619,892	3,029,761
Shandong	28,136,445	16,440,484	16,155,686	143,395	7,781,443	6,090,763	3,914,518
Hubei	26,495,361	18,863,246	18,436,880	282,162	4,620,460	3,105,269	3,011,655
Guangxi	20,219,464	15,516,533	15,445,247	41,221	3,435,967	2,564,466	1,266,964
Zhejiang	18,735,819	15,155,988	14,882,894	110,442	3,528,701	2,361,748	51,130
Guizhou	16,925,840	11,759,957	11,390,042	171,394	2,434,665	769,095	2,731,218
Hebei	15,608,321	7,721,954	7,554,629	61,076	5,952,902	4,085,619	1,933,465
Liaoning	14,919,978	10,720,666	10,632,810	38,144	2,699,032	1,708,068	1,500,280
Sichuan	13,547,740	9,488,070	9,427,771	43,650	2,909,872	2,333,648	1,149,798
Shaanxi	10,851,752	6,499,866	6,445,631	19,379	3,195,717	2,207,845	1,156,169
Jiangxi	10,569,512	7,284,069	7,092,375	170,706	2,815,400	2,135,321	470,043
Gansu	9,202,088	5,448,682	5,355,775	64,616	1,570,729	1,237,599	2,182,677
Hainan	8,980,110	5,825,080	5,388,986	145,062	2,054,466	702,531	1,100,564
Fujian	8,680,769	7,278,124	7,125,387	34,276	1,211,030	832,173	191,615
Shanxi	6,448,553	2,411,293	2,311,163	95,253	3,302,493	2,306,263	734,767
Chongqing	6,196,818	5,110,666	5,017,682	77,083	911,151	621,453	175,001
Inner Mongolia	5,723,208	2,704,835	2,699,103	5,481	1,435,976	1,029,720	1,582,397
Yunnan	4,736,810	3,378,214	3,323,493	40,388	890,533	548,919	468,063
Tianjin	3,811,657	2,882,321	2,784,832	62,208	413,260	295,790	516,076
Xinjiang	3,286,110	838,905	823,818	13,968	1,172,555	955,452	1,274,650
Qinghai	1,884,857	1,240,367	1,234,849	390	616,674	468,047	27,816
Jilin	1,448,994	870,095	837,538	349	513,345	358,112	65,554

## BUSINESS OVERVIEW

Province/ Location	Aggregate saleable GFA sq.m.	Completed property developments <sup>(2)</sup>			Properties under development <sup>(3)</sup>		Properties for future development <sup>(4)</sup>
		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.
Ningxia	1,352,003	1,005,830	1,004,601	964	346,173	341,221	0
Beijing	1,288,530	295,349	234,233	25,882	125,999	81,059	867,182
Shanghai	1,277,833	879,919	743,708	7,861	269,546	249,081	128,368
Heilongjiang	1,079,556	539,713	522,490	0	539,843	303,527	0
Tibet	154,461	52,825	52,825	0	101,636	91,536	0
Total	547,167,143	383,319,309	376,189,625	3,476,634	108,056,288	72,690,887	55,791,546

Note:

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Technology-enabled construction. Revenue of the Group increased by 39.4% to approximately RMB226,309 million in the first half of 2023 from approximately RMB162,363 million for the corresponding period in 2022. 97.6% of the Group's revenue was generated from the sales of properties (corresponding period in 2022: 96.3%), and 2.4% from Technology-enabled construction and Others segments (corresponding period in 2022: 3.7%).

#### *Property Development*

Due to the increase of GFA delivered, revenue generated from property development increased by 41.2% to approximately RMB220,803 million for the six months ended 30 June 2023 from approximately RMB156,373 million for the corresponding period in 2022. The recognised average selling price of property delivered (value-added taxes not included) was approximately RMB7,163 per sq.m. for the six months ended 30 June 2023.

#### *Technology-enabled Construction*

Technology-enabled construction revenue from external parties decreased by 6.7% to approximately RMB3,272 million for the six months ended 30 June 2023 from approximately RMB3,507 million for the corresponding period in 2022, primarily due to the decrease in new construction volume resulting from sluggish market of real estate.

#### *Others*

Others segment mainly includes property investment and hotel operation. Revenue from external parties of others segment decreased by 10.0% to approximately RMB2,234 million for the six months ended 30 June 2023 from approximately RMB2,483 million for the corresponding period in 2022.

### 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 RMB9,857 million for the six months ended 30 June 2023. It accounted for 4.4% of the revenue for the first half of 2023, with a decrease of 1.1 percentage points compared with the corresponding period in 2022.

### Finance Costs – Net

The Group recorded net finance costs of approximately RMB1,454 million in the first half of 2023 (corresponding period in 2022: approximately RMB3,541 million).

During the period, the Group recorded post-hedging net foreign exchange loss of approximately RMB3,038 million (corresponding period in 2022: approximately RMB4,482 million), interest income of approximately RMB961 million (corresponding period in 2022: approximately RMB914 million), and gains on repurchase of senior notes approximately RMB623 million (corresponding period in 2022: approximately RMB27 million). Interest expenses, amounting to approximately RMB7,054 million for the six months ended 30 June 2023 (corresponding period in 2022: approximately RMB8,877 million) was fully capitalised on qualifying assets. Interest expenses decreased primarily due to the decrease in total debts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **(Loss)/Profit before Income Tax**

The Group recorded loss before income tax of approximately RMB46,148 million in the first half of 2023 (corresponding period in 2022: the profit before income tax of approximately RMB5,358 million), mainly due to:

- (1) Affected by the continuous decline in sales volume and prices in the real estate market starting from the second quarter of this year, a net impairment provision of approximately RMB40,338 million was provided for properties under development and completed properties held for sale, resulting in a gross loss of approximately RMB24,263 million;
- (2) Affected by multiple adverse factors such as macroeconomic environment, industry environment, and negative financial conditions of counterparties, the net impairment losses on financial and contract assets of approximately RMB6,662 million was provided;
- (3) Due to the fluctuations of foreign exchange, net foreign exchange loss was approximately RMB3,038 million.

### **Loss/Profit and Core Net Loss/Profit Attributable to Owners of the Company**

For the first half of 2023, the loss attributable to owners of the Company was approximately RMB48,932 million (corresponding period in 2022: the profit attributable to owners of the Company was approximately RMB612 million).

After deduction of effects such as fair value changes and net foreign exchange gains/losses from realized earnings, the core net loss attributable to owners of the Company in the first half of 2023 was approximately RMB45,345 million (corresponding period in 2022: the core net profit attributable to owners of the Company was approximately RMB4,910 million).

### **Liquidity, Financial and Capital Resources**

#### ***Cash Position***

As at 30 June 2023, the Group's total cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB130,569 million (31 December 2022: approximately RMB147,550 million), including approximately RMB101,115 million in cash and cash equivalents and approximately RMB29,454 million in restricted cash.

Restricted cash mainly included unreleased guarantee deposits for construction of pre-sale properties, guarantee deposits for workers' wages and funds frozen as a result of litigations.

As at 30 June 2023, 97.2% (31 December 2022: 94.3%) of the Group's total cash was denominated in Renminbi and 2.8% (31 December 2022: 5.7%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

#### ***Debt Composition***

As at 30 June 2023, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB156,176 million, RMB68,682 million, RMB26,944 million and RMB6,103 million respectively (31 December 2022: approximately RMB162,540 million, RMB70,655 million, RMB32,319 million and RMB5,793 million respectively).

## MANAGEMENT DISCUSSION AND ANALYSIS

For bank and other borrowings, approximately RMB69,520 million, RMB82,969 million and RMB3,687 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2022: approximately RMB61,205 million, RMB97,490 million and RMB3,845 million respectively). As at 30 June 2023 and 31 December 2022, the majority of the bank and other borrowings were secured by certain properties, right-of-use assets, equipment and financial assets at fair value through profit or loss 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 2023, the total debts decreased to approximately RMB257,905 million, from approximately RMB271,307 million as at 31 December 2022.

### ***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 total cash, which equals to the sum of cash and cash equivalents and restricted cash) over total equity. The Group's net gearing ratio increased from approximately 40.0% as at 31 December 2022 to approximately 50.1% as at 30 June 2023.

### **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. Meanwhile, the Group's operation is subject to a number of risk factors distinctive to property development, property 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 2023, the weighted average borrowing cost of the Group's total debt was 5.73%, approximately the same as that as at 31 December 2022. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements, applying interest rate swaps to mitigate interest rate risk, refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **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 and HK dollars). 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.

### **Liquidity Risk**

The Group is facing phased liquidity pressure. In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 2 to the "NOTES TO THE INTERIM FINANCIAL INFORMATION" in this report.

### **Guarantees**

As at 30 June 2023, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB377,515 million (31 December 2022: approximately RMB401,887 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.

In addition, as at 30 June 2023, the Group had provided guarantees amounting to approximately RMB12,528 million (31 December 2022: approximately RMB24,178 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 2023, the Group had approximately 58,140 full-time employees.

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 is subject to social insurance contribution plans or other pension schemes organised by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this report, there were no significant labor disputes which adversely affect or are likely to have an adverse effect on the operations of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

In order to achieve sustainable development and corporate core advantage, the Group is establishing a “Corporate University”. All 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 projects are aimed at enabling employees to become senior management and inter-disciplinary talent and form a perfect HR training system of the Group.

The Group has approved and/or adopted certain share option scheme and share award scheme, details can be referred in the sections headed “EMPLOYEE INCENTIVE MECHANISMS” in “CORPORATE GOVERNANCE AND OTHER INFORMATION” of this report.

### Forward Looking

In recent years, China’s property sector has experienced volatile adjustments and encountered unprecedented difficulties. Accompanied with sales plunge in the industry, insufficient consumer confidence and difficulties in obtaining financing have presented significant challenges to the operation and survival of enterprises. The Group’s liquidity is under unprecedented pressure with a dual tightening of sales and financing.

The Group has always been committed to doing the right things and adhering to prudent financial policies and risk control measure in the face of new challenges and market changes. Facing such an extremely difficult situation industry-wide, the Group spared no effort to shoulder its social responsibility, actively respond and fully ensure its delivery. In 2022 and the first half of 2023, the Group, together with its joint ventures and associates, delivered nearly 700,000 and 278,000 units of properties, respectively, while at the same time making every effort to repay the principals and interests of financing despite the continuous increase in cash flow pressure.

In the future, the Group will continue to do its utmost to ensure the safety of cash flow, intensify efforts to revitalize under-performing assets, further streamline its organizational structure and strengthen expense controls, and actively consider taking various debt management measures to resolve periodic liquidity pressures. In order to deliver systematic smart construction solutions that best suit with the construction market, the Group seeks new opportunities in expanding the business of providing property development services and management services for other parties with the implementation of such advanced construction technologies and new ways of organizing and managing construction. The Group will continue to explore new models for real estate development through the new strategy of “One Core and Two Wings”, giving full play to the advantages of the entire industry chain.

Since its establishment, the Group has experienced 31 years of trials and hardships. The long road to success is indeed as hard as iron, but now we must start from scratch. Despite the current difficulties, the Group will continue to ensure delivery with a high sense of responsibility and make every effort to reverse the situation. The Group firmly believes that the real estate industry will eventually return to stable and healthy after undergoing such difficult adjustments. With the concerted efforts of the entire Group and the help and support of all parties, the Group will be able to navigate through predicaments and set sail again.

# 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 2023, the Company has applied the principles and has complied with the code provisions set out in Part 2 of the Corporate Governance Code, save and except for the code provision F.2.2 of Part 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) was unable to attend the 2023 AGM as she had other important engagement.

## BOARD OF DIRECTORS

The Directors during the six months ended 30 June 2023 and up to the date of this report is set out below:

### Executive Directors

Ms. YANG Huiyan (*Chairman*, succeeded on 1 March 2023)  
Mr. MO Bin (*President*)  
Ms. YANG Ziying  
Dr. CHENG Guangyu  
Ms. WU Bijun  
Mr. SU Baiyuan  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)

### Non-executive Director

Mr. CHEN Chong

### Independent Non-executive Directors

Mr. LAI Ming, Joseph  
Mr. SHEK Lai Him, Abraham  
Mr. TONG Wui Tung  
Mr. TO Yau Kwok  
Mr. HUANG Hongyan (retired on 23 May 2023)

## 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 and Mr. TONG Wui Tung (Mr. HUANG Hongyan was a member of the Audit Committee until his retirement on 23 May 2023). 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 2023. 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 2023 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The following is an extract of the independent auditor's report on review of the Group's unaudited interim financial information for the six months ended 30 June 2023 which has included an emphasis of matter paragraph, but without qualification:

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

#### Emphasis of Matter

We draw attention to Note 2 to the interim financial information, which states that the Group recorded a loss of RMB51,461 million and a loss attributable to owners of the Company of RMB48,932 million for the six months ended 30 June 2023. As at 30 June 2023, the Group had borrowings in the forms of senior notes, convertible bonds, corporate bonds and bank and other borrowings amounted to RMB257,905 million in aggregate, of which RMB108,703 million was repayable within 12 months, while the Group's cash and cash equivalents amounted to RMB101,115 million and restricted cash amounted to RMB29,454 million. As affected by the downturn of the property market in the PRC, the Group faced significant challenges in the pre-sale performance, in particular, the Group's pre-sale performance has declined significantly since April 2023 and there has been no obvious sign of rebound up to the date of this report. In addition, subsequent to 30 June 2023 and up to the date of this report, the Group has commenced negotiations with the bondholders of certain domestic corporate bonds to seek their agreement to extend the respective maturity dates. Furthermore, the Group did not make interest payments due in August 2023 of certain senior notes though these interest payments are still within the 30-day grace period as at the date of this report. If the financial performance of the Group continues to deteriorate in the future, the Group might not be able to fulfill the financial covenants of certain borrowings, which may result in default in the respective borrowings and cross-default in certain other borrowings. These conditions, along with other events and conditions that set out in Note 2, indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The aforesaid "note 2 to the interim financial information" in the extract from the independent auditor's report on review of the Group's unaudited interim financial information is disclosed as note 2 to the "NOTES TO THE INTERIM FINANCIAL INFORMATION" in this report.

### CHANGES SINCE DATE OF 2022 ANNUAL REPORT

Pursuant to rule 13.51B(1) of the Listing Rules, there is no change to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules between the date of the Company's 2022 annual report and up to the date of this report.

### 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 2023. No incident of non-compliance was noted by the Company to date in 2023. 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 2023, 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 2023	Amount of debentures held
Ms. YANG Huiyan	Interest of controlled corporation	14,539,618,535 <sup>1</sup>	—	14,539,618,535	52.60%	—
Mr. MO Bin	Beneficial owner	86,591,006	—	86,591,006	0.31%	USD30,000,000
Ms. YANG Ziying	Interest of controlled corporation	—	—	—	—	USD18,000,000 <sup>2</sup>
Dr. CHENG Guangyu	Beneficial owner	12,338,951	1,757,149 <sup>3</sup>	14,096,100	—	—
	Interest of spouse	17,307,339 <sup>4</sup>	—	17,307,339	—	—
				31,403,439	0.11%	—
Ms. WU Bijun	Beneficial owner	—	—	—	—	USD500,000
Mr. SU Baiyuan	Beneficial owner	492,544	3,060,126 <sup>5</sup>	3,552,670	—	—
	Interest of spouse	473,961 <sup>6</sup>	—	473,961	—	—
				4,026,631	0.01%	—
Mr. CHEN Chong	Interest of spouse	14,539,618,535 <sup>7</sup>	—	14,539,618,535	52.60%	—
Mr. LAI Ming, Joseph	Beneficial owner	1,140,810	—	1,140,810	0.01%	—
Mr. SHEK Lai Him, Abraham	Beneficial owner	1,206,085	—	1,206,085	0.01%	—
Mr. TONG Wui Tung	Beneficial owner	1,014,786	—	1,014,786	0.01%	—
Mr. YEUNG Kwok Keung <sup>8</sup>	Interest of controlled corporation	—	—	—	—	USD575,000,000 <sup>9</sup>

Notes:

- 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 share awards granted pursuant to the Share Award Scheme. The grant date was prior to appointment of Dr. CHENG Guangyu as Director on 20 December 2022.
- These Shares represent Shares held by Ms. ZUO Ying who is the spouse of Dr. CHENG Guangyu.
- 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 section of "CORPORATE GOVERNANCE AND OTHER INFORMATION — EMPLOYEE INCENTIVE MECHANISMS — (II) SHARE OPTION SCHEMES" of this 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.
- Mr. YEUNG Kwok Keung resigned as executive Director with effect from 1 March 2023.
- 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, during the six months ended 30 June 2023, none of the Directors and chief executive of the Company had any interests or 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.

Save as disclosed above, during the six months ended 30 June 2023, 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 or its associated corporation (within the meaning of Part XV of the SFO), nor has any of them exercised such rights.

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2023, 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 <sup>1</sup> as at 30 June 2023
Concrete Win Limited	Beneficial owner	14,539,618,535 <sup>2</sup>	52.60%
Ping An Insurance (Group) Company of China, Ltd.	Interest of controlled corporation	1,485,646,000 <sup>3</sup>	5.37%
Ping An Life Insurance Company of China, Ltd.	Beneficial owner	1,485,646,000 <sup>3, 4</sup>	5.37%

Notes:

- As at 30 June 2023, the total number of the issued Shares is 27,637,858,596 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 1,485,646,000 Shares (held and managed by its indirectly wholly owned subsidiary, Ping An of China Asset Management (Hong Kong) Company Limited as investment manager), the 1,485,646,000 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 2023 (date of relevant event: 22 November 2022). Subsequently, as shown on the Disclosure of Interests notice filed (date of relevant event: 11 August 2023), Ping An Insurance (Group) Company of China, Ltd.'s deemed interests has decreased to 1,381,617,000 Shares, representing 4.99% of the total issued Shares.
- 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 2023 (date of relevant event: 22 November 2022). Subsequently, as shown on the Disclosure of Interests notice filed (date of relevant event: 11 August 2023), the number of Shares beneficially owned by Ping An Life Insurance Company of China, Ltd. has decreased to 1,381,617,000 Shares, representing 4.99% of the total issued Shares.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2023 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

### EMPLOYEE INCENTIVE MECHANISMS

For the purpose of rewarding the contribution of the senior management and employees of the Group (including executive Directors of the Company who are also senior management) engaging in profitable property development projects of the Group, two incentive mechanisms (the “**Incentive Mechanisms**”) were adopted by the Group on 27 December 2019 and 18 September 2020, which respectively concern property development projects located in the Mainland China and property development projects located in Hong Kong and other overseas jurisdictions (the “**Property Development Projects**”). Under the Incentive Mechanisms, in general, senior management and employees will be provided with cash rewards, calculated with reference to net profits generated from the Property Development Projects and the Group’s internal rate of return. A portion of these cash rewards will be used as the consideration for the exercise of the share options to be granted to them by the Company under the then existing Share Option Scheme (in respect of executive Directors of the Company who are also senior management) or the consideration for the purchase of existing shares of the Company (the “**Share(s)**”), i.e. the share awards (in respect of other senior management and employees).

#### (I) SHARE AWARD SCHEME

The aforementioned share awards concern existing Shares, and shall be distributed in accordance with the Principles for Employees’ Shares Conversion Rights (as amended from time to time) adopted by the Group on 11 February 2015 (the “**Share Award Scheme**”). The Share Award Scheme has no fixed expiry date.

According to the trust deed approved by the Board on 27 January 2015, the trustee of the Share Award Scheme is Power Great Enterprises Limited (“**Power Great**”), a wholly-owned subsidiary of the Company. During the six months ended 30 June 2023, Power Great had not purchased any Share from the market, and had not acquired any Share by any other way in accordance with the Share Award Scheme. During the six months ended 30 June 2023, no Shares were granted under the Share Award Scheme. As at 30 June 2023, the total number of Shares in relation to share awards that were granted under the Share Award Scheme was 165,746,992 Shares (being the net number after deduction of the exercised and lapsed share awards). As at 30 June 2023, the cumulative total number of Shares held by Power Great under the Share Award Scheme was 283,259,032 Shares (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2022: 283,259,032 Shares).

#### (II) 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 had 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 effective period of the scheme.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

The total number of share options available for grant under the Share Option Schemes is 2,048,830,798 Shares both as at 1 January 2023 (as at 1 January 2022: 2,055,786,455 Shares) and as at 30 June 2023 (as at 31 December 2022: 2,048,830,798 Shares). During the six months ended 30 June 2023, no share options were granted to eligible persons in accordance with the terms of the Share Option Schemes (whereas during the year ended December 2022, all the share options granted to eligible persons in accordance with the terms of the Share Option Schemes have been exercised during the same year).

(a) *During the six months ended 30 June 2023, details of movements in the share options under the 2007 Share Option Scheme are as follows:*

Category and name of grantees	Outstanding at 1 January 2023	Granted during the period <sup>1</sup>	Options to subscribe for Shares			Outstanding at 30 June 2023	Exercise price per Share HKD	Date of grant	Exercisable period
			Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Employees of the Group</b>	261,248	–	–	–	–	261,248	4.773	13.12.2013	13.12.2018–12.12.2023
Sub-total	261,248	–	–	–	–	261,248			
<b>Other participants<sup>2</sup></b>	1,515,933	–	–	–	–	1,515,933	4.773	13.12.2013	13.12.2018–12.12.2023
	1,506,227	–	–	–	–	1,506,227	3.332	16.03.2016	16.03.2021–15.03.2026
	1,599,861	–	–	–	–	1,599,861	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	5,438,071	–	–	–	–	5,438,071			
<b>Total</b>	5,699,319	–	–	–	–	5,699,319			

Notes:

1. During the six months ended 30 June 2023, no share options were granted by the Company in accordance with the terms of the 2007 Share Option Scheme.
2. The “other participants” are former Directors.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

(b) During the six months ended 30 June 2023, details of movements in the share options under the 2017 Share Option Scheme are as follows:

Category and name of grantees	Outstanding at 1 January 2023	Granted during the period <sup>1</sup>	Options to subscribe for Shares			Outstanding at 30 June 2023	Exercise price per Share HKD	Date of grant	Exercisable period
			Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Directors</b>									
Dr. CHENG Guangyu	6,955,657	—	—	6,955,657	—	—	9.600	08.06.2021	08.06.2021-07.06.2031
Mr. SU Baiyuan	1,135,435	—	—	—	—	1,135,435	8.250	22.05.2017	22.05.2022-21.05.2027
	526,868	—	—	—	—	526,868	16.460	21.03.2018	21.03.2023-20.03.2028
	320,165	—	—	—	—	320,165	12.408	09.05.2019	09.05.2024-08.05.2029
	176,545	—	—	—	—	176,545	10.040	12.05.2020	12.05.2025-11.05.2030
	901,113	—	—	—	—	901,113	9.730	26.03.2021	26.03.2026-25.03.2031
Sub-total	10,015,783	—	—	6,955,657	—	3,060,126			
<b>Other participants<sup>3</sup></b>									
	1,590,064	—	16,376 <sup>2</sup>	—	—	1,573,688	8.250	22.05.2017	22.05.2022-21.05.2027
	978,409	—	—	—	—	978,409	10.100	24.08.2017	24.08.2022-23.08.2027
	659,817	—	—	—	—	659,817	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
	619,907	—	—	—	—	619,907	9.654	06.12.2018	06.12.2023-05.12.2028
	414,881	—	—	—	—	414,881	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
	1,039,436	—	—	—	—	1,039,436	9.834	23.08.2019	23.08.2024-22.08.2029
	639,140	—	—	—	—	639,140	11.092	05.12.2019	05.12.2024-04.12.2029
	346,922	—	—	—	—	346,922	10.040	12.05.2020	12.05.2025-11.05.2030
	480,615	—	—	—	—	480,615	10.160	24.07.2020	24.07.2025-23.07.2030
	379,388	—	—	—	—	379,388	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
Sub-total	9,105,030	—	16,376	—	—	9,088,654			
<b>Total</b>	<b>19,120,813</b>	<b>—</b>	<b>16,376</b>	<b>6,955,657</b>	<b>—</b>	<b>12,148,780</b>			

Notes:

- During the six months ended 30 June 2023, no share options were granted by the Company to eligible person in accordance with the terms of the 2017 Share Option Scheme.
- The closing price of these Shares immediately before 14 April 2023 (the date on which the relevant share options were exercised) was HKD2.36.
- The "other participants" are former Directors.

The Board will continue to monitor the Share Option Schemes and Share Award Scheme for motivating the eligible person, the senior management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the schemes with and/or adopt any other incentive scheme.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CONVERTIBLE BONDS AND 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. There was no change to the conversion price of the 2023 Convertible Bonds during the six months ended 30 June 2023. Accordingly, as at the date of this report, based on the total outstanding principal amount of the 2023 Convertible Bonds of HKD3,000 million, the 2023 Convertible Bonds may be converted into the maximum number of 293,829,578 Shares at the latest modified conversion price of HKD10.21 per Share (as last adjusted on 7 June 2022) 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)**”). There was no change to the latest modified strike price of HKD14.53 per Written Call Option (as last adjusted on 7 June 2022) during the six months ended 30 June 2023. 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 293,804,662 Shares as at the date of this report.

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, 2 June 2021, 13 September 2021 and 6 June 2022, and the circular of the Company dated 11 April 2019 for further details.

On 20 January 2022, the Company, the Issuer and UBS AG Hong Kong Branch (the “**Sole Bookrunner**”) entered into an agreement, under which the Sole Bookrunner agreed to subscribe for the 4.95% secured guaranteed convertible bonds due 2026 to be issued by the Issuer in the aggregate principal amount of HKD3,900 million (the “**2026 Convertible Bonds**”). On 28 January 2022, the Issuer issued the 2026 Convertible Bonds in the principal amount of HKD3,900 million. The 2026 Convertible Bonds are listed on SGX. There was no change to the conversion price of the 2026 Convertible Bonds during the six months ended 30 June 2023. Accordingly, as at the date of this report, based on the total outstanding principal amount of the 2026 Convertible Bonds of HKD3,900 million, the 2026 Convertible Bonds may be converted into the maximum number of 492,424,242 Shares at the latest modified conversion price of HKD7.92 per Share (as last adjusted on 13 June 2022) during the conversion period under the terms of the 2026 Convertible Bonds.

Please refer to the announcements of the Company dated 21 January 2022 and 6 June 2022 for further details.

Details of convertible bonds are set out in note 19 to the “NOTES TO THE INTERIM FINANCIAL INFORMATION” in this report.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 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 2023.

On 30 August 2023 (before trading hours), the Company and Ever Credit Limited (the “**Subscriber**”) entered into the subscription agreement pursuant to which the Company agreed to allot and issue, and the Subscriber agreed to subscribe for 350,649,350 Shares (the “**Subscription Share(s)**”), having an aggregate nominal value of HKD35,064,935, at the subscription price of HKD0.77 per Share (the “**Subscription Agreement**”). The total consideration for the Subscription Shares, being HKD270,000,000, will be set off against a sum of HKD318,775,890.41 (being part of the amount owing to the Subscriber under the facility agreement in respect of a HKD1,880,000,000 term loan facility dated 1 December 2021 made between the Company as borrower and the Subscriber as lender), and accordingly no cash proceeds will be received by the Company from the subscription. The net price per Subscription Share is approximately HKD0.77 and the market price per Subscription Share on 30 August 2023 is HKD0.88. The Subscription Shares will, on allotment and issue, rank pari passu in all respects with other existing Shares upon issuance. Subject to all the conditions to completion of the subscription being fulfilled, the subscription is expected to be completed on 6 September 2023.

For further details, please refer to the announcement of the Company dated 30 August 2023.

On 11 January 2023, the Company had cancelled the partially repurchased 4.75% senior notes due January 2023 (ISIN: XS1751178499) (the “**Notes**”) in the cumulative total principal amount of USD218,390,000, which is previously repurchased from the open market. The Company has repaid the outstanding amount of the Notes in full with accrued interest upon its maturity on 17 January 2023. Following such repayment, no Notes were outstanding and the Notes have been cancelled and delisted from the SGX. For further details, please refer to the announcements of the Company dated 11 January 2023 and 17 January 2023.

For details of purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities (other than Shares and convertible bonds referred to in the section headed “**CONVERTIBLE BONDS AND WRITTEN CALL OPTIONS**” above) during the six months ended 30 June 2023, please also refer to notes 17 and 18 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 23 July 2019, the Company, as the borrower, entered into a facility agreement (the “**2019 Facility Agreement**”) with various financial institutions as the 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 transferrable 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 were to 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 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. The 2019 Loans were repaid in full on 21 July 2023.

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 were to 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 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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 were to be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 17 October 2017; and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses 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.

On 26 December 2022, the Company, as the borrower, entered into a facility agreement (the “**2022 Facility Agreement**”) with various financial institutions as the original lenders (the “**2022 Original Lenders**”) and Industrial and Commercial Bank of China (Asia) Limited as the facility agent, pursuant to which the 2022 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in a total amount of USD280 million (collectively, the “**2022 Loans**”) to the Company for a term of 36 months commencing from the date of the 2022 Facility Agreement. The 2022 Loans obtained under the 2022 Facility Agreement were to be applied by the Company for refinancing in full the HKD and USD dual tranche term loan facilities made available to the Company pursuant to a facility agreement dated 28 December 2018 and thereafter for financing costs and expenses incurred under the 2022 Facility Agreement. Pursuant to the terms of the 2022 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 (whether directly or indirectly) 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 2022 Facility Agreement.

On 26 January 2023, the Company, as the borrower, entered into a facility agreement (the “**2023 Facility Agreement**”) with China Minsheng Banking Corp., Ltd. Hong Kong Branch as the original lender (the “**2023 Original Lender**”), pursuant to which the 2023 Original Lender has agreed to make available a term loan facility of the RMB equivalent of up to USD50 million (the “**2023 Loan**”) to the Company for a term of 36 months commencing from the first drawing of the 2023 Loan. The 2023 Loan obtained under the 2023 Facility Agreement was to be applied by the Company for financing general working capital requirements, including but not limited to refinancing outstanding indebtedness. Pursuant to the terms of the 2023 Facility Agreement, the Company has undertaken to the 2023 Original Lender that 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 (whether directly or indirectly) 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

On 31 March 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 Second Facility Agreement”**) with Tai Fung Bank Limited as the lender (the **“2023 Second Lender”**), pursuant to which the 2023 Second Lender has agreed to make available a term loan facility in the amount of HKD950 million (the **“2023 Second Loan”**) to the Company for a term of 36 months commencing from the date of first drawing of the 2023 Second Loan. The 2023 Second Loan obtained under the 2023 Second Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of the real estate development projects of the Group in the People’s Republic of China. Pursuant to the terms of the 2023 Second Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall beneficially own 40% or more of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, acting jointly, shall have control over the Company; or (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 2023 Second Facility Agreement.

On 14 July 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 Third Facility Agreement”**) with Chong Hing Bank Limited as the lender (the **“2023 Third Lender”**), pursuant to which the 2023 Third Lender has agreed to make available a term loan facility in the equivalent amount of USD35 million (the **“2023 Third Loan”**) to the Company for a term of 36 months commencing from the date on which the 2023 Third Loan was made. The 2023 Third Loan obtained under the 2023 Third Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of real estate developments or projects of the Group in the People’s Republic of China. Pursuant to the terms of the 2023 Third Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the single largest shareholder of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall hold the beneficiary interest in not less than 40% of the issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall have the power to decide the management and policies of the Company (whether through the ownership of voting capital, by contract or otherwise); or (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairman of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Third Facility Agreement.

On 20 July 2023, the Company, as the borrower, entered into a facility agreement (the **“2023 Fourth Facility Agreement”**) with various financial institutions as the original lenders (the **“2023 Fourth Original Lenders”**) and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2023 Fourth Original Lenders have agreed to make available a dual-tranche term loan facilities (with a lender accession option in the amount of USD11,200,000) denominated in HKD and USD in an amount of HKD3,583,020,000 and USD388,660,000, respectively (collectively, the **“2023 Fourth Loans”**) to the Company for a term of 30 months commencing from the date of the 2023 Fourth Facility Agreement. The 2023 Fourth Loans obtained under the 2023 Fourth Facility Agreement were to be applied by the Company for refinancing in full the HKD and USD dual-tranche term loan facilities made available to the Company pursuant to the 2019 Facility Agreement; and thereafter for reimbursing the Company of part or all of the amount funded by the Company’s own source for the repayment of the 2019 Facility Agreement. Pursuant to the terms of the 2023 Fourth Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan 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 2023 Fourth Facility Agreement.

# INFORMATION FOR SHAREHOLDERS

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (2022 interim dividend: Nil).

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2023 RMB million	Audited 31 December 2022 RMB million
<b>Non-current assets</b>			
Property, plant and equipment	8	24,759	25,601
Investment properties	8	17,591	14,250
Intangible assets		1,556	1,558
Right-of-use assets		4,865	4,753
Properties under development	9	25,329	28,355
Investments in joint ventures	10	38,919	45,340
Investments in associates	11	19,578	22,632
Financial assets at fair value through other comprehensive income		9,344	9,625
Derivative financial instruments		79	6
Trade and other receivables	12	3,885	12,484
Deferred income tax assets		39,979	42,781
		<b>185,884</b>	207,385
<b>Current assets</b>			
Properties under development	9	818,244	883,887
Completed properties held for sale		56,893	51,323
Inventories		7,531	7,277
Trade and other receivables	12	352,095	380,017
Contract assets and contract acquisition costs	13	23,573	25,046
Prepaid income tax		31,842	30,362
Financial assets at fair value through profit or loss	15	11,652	11,414
Derivative financial instruments		246	206
Restricted cash	14	29,454	19,269
Cash and cash equivalents	14	101,115	128,281
		<b>1,432,645</b>	1,537,082
<b>Current liabilities</b>			
Contract liabilities		603,588	668,162
Trade and other payables	16	448,545	437,355
Current income tax liabilities		29,314	31,719
Senior notes	17	11,490	3,825
Corporate bonds	18	21,590	26,081
Convertible bonds	19	6,103	2,597
Bank and other borrowings	20	69,520	61,205
Lease liabilities		80	90
Derivative financial instruments		44	175
		<b>1,190,274</b>	1,231,209
<b>Net current assets</b>		<b>242,371</b>	305,873
<b>Total assets less current liabilities</b>		<b>428,255</b>	513,258

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2023 RMB million	Audited 31 December 2022 RMB million
<b>Non-current liabilities</b>			
Senior notes	17	57,192	66,830
Corporate bonds	18	5,354	6,238
Convertible bonds	19	—	3,196
Bank and other borrowings	20	86,656	101,335
Lease liabilities		522	321
Deferred government grants		203	186
Deferred income tax liabilities		23,868	25,245
Derivative financial instruments		91	334
		<b>173,886</b>	203,685
<b>Equity attributable to owners of the Company</b>			
Share capital and premium	21	50,536	50,536
Other reserves	22	24,154	23,830
Retained earnings	22	80,371	129,257
		<b>155,061</b>	203,623
<b>Non-controlling interests</b>		<b>99,308</b>	105,950
<b>Total equity</b>		<b>254,369</b>	309,573
<b>Total equity and non-current liabilities</b>		<b>428,255</b>	513,258

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	
		2023 RMB million	2022 RMB million
<b>Revenue</b>	7	<b>226,309</b>	162,363
Cost of sales	24	<b>(250,572)</b>	(145,153)
<b>Gross (loss)/profit</b>		<b>(24,263)</b>	17,210
Other income and (losses)/gains — net	23	<b>(2,889)</b>	66
Losses arising from changes in fair value of and transfers to investment properties	8	<b>(838)</b>	(96)
Selling and marketing costs	24	<b>(6,638)</b>	(4,575)
Administrative expenses	24	<b>(3,219)</b>	(4,285)
Research and development expenses	24	<b>(704)</b>	(974)
Net impairment losses on financial and contract assets	6.2	<b>(6,662)</b>	(302)
<b>Operating (loss)/profit</b>		<b>(45,213)</b>	7,044
Finance income	25	<b>1,584</b>	941
Finance costs	25	<b>(3,038)</b>	(4,482)
Finance costs — net	25	<b>(1,454)</b>	(3,541)
Share of results of joint ventures and associates	10, 11	<b>519</b>	1,855
<b>(Loss)/profit before income tax</b>		<b>(46,148)</b>	5,358
Income tax expenses	26	<b>(5,313)</b>	(3,451)
<b>(Loss)/profit for the period</b>		<b>(51,461)</b>	1,907
<b>(Loss)/profit attributable to:</b>			
— Owners of the Company		<b>(48,932)</b>	612
— Non-controlling interests		<b>(2,529)</b>	1,295
		<b>(51,461)</b>	1,907
<b>(Losses)/earnings per share attributable to owners of the Company (expressed in RMB yuan per share)</b>			
Basic	28	<b>(1.79)</b>	0.03
Diluted	28	<b>(1.79)</b>	0.03

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	
	2023 RMB million	2022 RMB million
<b>(Loss)/profit for the period</b>	<b>(51,461)</b>	1,907
<b>Other comprehensive (loss)/income</b>		
Items that will not be reclassified to profit or loss:		
– Changes in fair value of financial assets at fair value through other comprehensive income	<b>(236)</b>	394
Items that may be reclassified to profit or loss:		
– Deferred gains on cash flow hedges	–	7
– Deferred costs of hedging	<b>(173)</b>	(684)
– Currency translation differences	<b>16</b>	280
<b>Total other comprehensive loss for the period, net of tax</b>	<b>(393)</b>	(3)
<b>Total comprehensive (loss)/income for the period</b>	<b>(51,854)</b>	1,904
<b>Total comprehensive (loss)/income attributable to:</b>		
– Owners of the Company	<b>(49,350)</b>	610
– Non-controlling interests	<b>(2,504)</b>	1,294
	<b>(51,854)</b>	1,904

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 21)	Other reserves RMB million (note 22)	Retained earnings RMB million (note 22)	Total RMB million			
<b>Balance at 1 January 2023</b>	50,536	23,830	129,257	203,623		105,950	309,573
<b>Comprehensive (loss)/income for the six months ended 30 June 2023</b>							
Loss for the period	–	–	(48,932)	(48,932)		(2,529)	(51,461)
Other comprehensive (loss)/income	–	(457)	39	(418)		25	(393)
<b>Total comprehensive loss for the six months ended 30 June 2023</b>	–	(457)	(48,893)	(49,350)		(2,504)	(51,854)
<b>Transactions with owners in their capacity as owners</b>							
Capital injections from non-controlling interests	–	–	–	–	–	283	283
Dividend	–	–	–	–	–	(3,348)	(3,348)
Employee share schemes							
– Value of employee services	–	208	–	208		–	208
Non-controlling interests arising from business combinations (note 33)	–	–	–	–	–	1,662	1,662
Disposals of subsidiaries (note 32)	–	(7)	7	–	–	(129)	(129)
Changes in ownership interests in subsidiaries without change of control (note 31)	–	580	–	580		(2,606)	(2,026)
<b>Total transactions with owners</b>	–	781	7	788		(4,138)	(3,350)
<b>Balance at 30 June 2023</b>	50,536	24,154	80,371	155,061		99,308	254,369

## 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 21)	Other reserves RMB million (note 22)	Retained earnings RMB million (note 22)	Total RMB million		
<b>Balance at 1 January 2022</b>	38,787	22,691	137,258	198,736	101,891	300,627
<b>Comprehensive income for the six months ended 30 June 2022</b>						
Profit for the period	—	—	612	612	1,295	1,907
Other comprehensive income	—	(2)	—	(2)	(1)	(3)
<b>Total comprehensive income for the six months ended 30 June 2022</b>	—	(2)	612	610	1,294	1,904
<b>Transactions with owners in their capacity as owners</b>						
Capital injections from non-controlling interests	—	—	—	—	5,539	5,539
Dividend	—	—	(2,343)	(2,343)	(870)	(3,213)
Employee share schemes						
— Value of employee services	—	144	—	144	—	144
— Exercise of employee share schemes	65	(35)	—	30	—	30
Equity component of convertible bonds issued	—	291	—	291	—	291
Non-controlling interests arising from business combinations	—	—	—	—	369	369
Disposals of subsidiaries	—	(123)	123	—	(790)	(790)
Changes in ownership interests in subsidiaries without change of control	—	197	—	197	(1,879)	(1,682)
<b>Total transactions with owners</b>	65	474	(2,220)	(1,681)	2,369	688
<b>Other transaction</b>						
Partial cancellation of written call options	—	(785)	582	(203)	—	(203)
<b>Balance at 30 June 2022</b>	38,852	22,378	136,232	197,462	105,554	303,016

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	
		2023 RMB million	2022 RMB million
<b>Cash flows from operating activities</b>			
Cash generated from operations		18,091	29,865
Income tax paid		(7,953)	(16,127)
Interest paid		(6,752)	(8,485)
<b>Net cash generated from operating activities</b>		<b>3,386</b>	5,253
<b>Cash flows from investing activities</b>			
Net cash inflow on business combinations	33	3,274	1,238
Proceeds from disposals of property, plant and equipment		12	519
Net cash inflow on disposals of subsidiaries	32	1,244	7
Purchases of property, plant and equipment		(553)	(599)
Proceeds from disposals of investment properties		7	—
Purchases of intangible assets		(154)	(160)
Purchases of right-of-use assets		(192)	(123)
Net proceeds/(payments) related to investments in joint ventures		163	(1,990)
Net proceeds/(payments) related to investments in associates		302	(25)
Dividend income from joint ventures and associates	10, 11	1,401	1,541
Payments for equity investments, net		—	(725)
Payments for financial assets at fair value through other comprehensive income		—	(10)
Proceeds from disposals of financial assets at fair value through other comprehensive income		56	—
Payments for financial assets at fair value through profit or loss		(456)	(1,445)
Proceeds from disposals of financial assets at fair value through profit or loss		658	4,729
Interest received		961	914
<b>Net cash generated from investing activities</b>		<b>6,723</b>	3,871

## INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Unaudited Six months ended 30 June	
		2023 RMB million	2022 RMB million
<b>Cash flows from financing activities</b>			
Capital injections from non-controlling interests		283	5,539
Net cash outflow on transactions with non-controlling interests	31	(2,026)	(1,682)
Repurchase, purchase under tender offer and repayment of senior notes		(3,777)	(5,709)
Issue of corporate bonds	18	1,891	749
Issue of convertible bonds		—	3,161
Repayment of corporate bonds	18	(7,463)	(1,196)
Settlement of derivative financial instruments		(56)	(673)
Payments for principal portion of leases		(56)	(55)
Dividends paid to non-controlling interests		(3,348)	(870)
Proceeds from bank and other borrowings		14,210	26,100
Repayments of bank and other borrowings		(37,007)	(57,970)
<b>Net cash used in financing activities</b>		<b>(37,349)</b>	<b>(32,606)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(27,240)</b>	<b>(23,482)</b>
Cash and cash equivalents at the beginning of the period		128,281	146,954
Exchange gains on cash and cash equivalents		74	11
<b>Cash and cash equivalents at the end of the period</b>		<b>101,115</b>	<b>123,483</b>

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 its subsidiaries (collectively, the “**Group**”) are principally engaged in the property development, construction, property investment and hotel operation.

The parent undertaking of the Company is Concrete Win Limited, whose registered office address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

The shares of the Company are listed on Stock Exchange.

This interim financial information is presented in RMB, unless otherwise stated, and was approved by the Board of Directors of the Company for issue on 30 August 2023. This interim financial information has not been audited.

## 2 Basis of preparation

This interim financial information for the six months ended 30 June 2023 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 2022 (“**2022 Financial Statements**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements under the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.

### 2.1 Going concern basis

For the six months ended 30 June 2023, the Group recorded a loss of RMB51,461 million and a loss attributable to owners of the Company of RMB48,932 million. As at 30 June 2023, the Group had borrowings in the forms of senior notes, convertible bonds, corporate bonds and bank and other borrowings amounted to RMB257,905 million in aggregate, of which RMB108,703 million was repayable within 12 months, while the Group’s cash and cash equivalents amounted to RMB101,115 million and restricted cash amounted to RMB29,454 million.

As affected by the downturn of the property market in the PRC, the Group faced significant challenges in the pre-sale performance, in particular, the Group’s pre-sale performance has declined significantly since April 2023 and there has been no obvious sign of rebound up to the date of this interim financial information. Moreover, the Group is facing more difficulties in obtaining financing through the issuance of new domestic corporate bonds and overseas senior notes due to the difficult and challenging debt financing environment.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 2 Basis of preparation *(Continued)*

#### 2.1 Going concern basis *(Continued)*

Despite these challenges and difficulties, the Group commits to timely delivery of its properties to the property buyers, which requires the Group to place higher priority in utilising the available funds for the construction of pre-sale properties. While on the other hand, the monitoring of the usage of guarantee deposits for construction of pre-sale properties has also been tightened during the period. As a result of the above conditions, the Group is facing phased liquidity pressure.

Subsequent to 30 June 2023 and up to the date of this interim financial information, the Group has commenced negotiations with the bondholders of certain domestic corporate bonds due within 12 months from 30 June 2023 to seek their agreement to extend the respective maturity dates. Furthermore, the Group did not make interest payments due in August 2023 of certain senior notes though these interest payments are still within the 30-day grace period as at the date of this interim financial information.

Certain of the Group's borrowings have financial covenants which have requirements, amongst others, on the Group's solvency performance. The directors of the Company have assessed that the Group was in compliance with these financial covenants as at 30 June 2023. However, if the financial performance of the Group continues to deteriorate in the future, the Group might not be able to fulfill the financial covenants of these borrowings, which may result in default in these borrowings and cross-default in certain other borrowings.

All of the above events and conditions indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 30 June 2023, taking into account the following plans and measures:

- (i) The Group will actively resolve its phased liquidity pressure by adopting various debt management measures, including:
  - subsequent to 30 June 2023 and up to the date of this interim financial information, the Group has commenced negotiations with the bondholders of certain domestic corporate bonds due within 12 months from 30 June 2023 to seek their agreement to extend the respective maturity dates;
  - in July 2023, the Group successfully refinanced its syndicated loans due within 12 months from 30 June 2023 of RMB6,137 million in total with a new term of 30 months. The Group will consider to adopt debt management measures to cope with the remaining overseas debts with principals due within 12 months from 30 June 2023;

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 2 Basis of preparation *(Continued)*

#### 2.1 Going concern basis *(Continued)*

- (ii) The Group had unutilised uncommitted domestic loan facilities of approximately RMB278,807 million as at 30 June 2023. The Group has been conducting negotiations with relevant banks and financial institutions on renewal and extension of existing bank and other borrowings with scheduled repayment dates due within one year. The directors of the Company believe that, given the Group's long-term relationships with the relevant banks and financial institutions and the availability of the Group's assets as collateral for the borrowings, the Group will be able to draw down from these loan facilities and renew or extend existing borrowings at cost acceptable to the Group as and when needed, under the prevailing rules and regulations;
- (iii) The Group will continue to actively adjust sales and pre-sale activities to respond to market changes and capture demands. The Group believes the PRC property market will gradually return to a sound and stable development track after the profound adjustments, and hence will continue its focus on those core geographical areas and to build up business presence in those cities with better correlation between supply and demand. The Group will implement its sales plan targeting to achieve its budgeted sales and pre-sales volumes and amounts. Besides, the Group will also continue to implement measures to speed up the collection of sales proceeds and other receivables;
- (iv) The Group will closely monitor the progress of construction of its property development projects according to the sales plan, to ensure that construction and related payments are fulfilled and the relevant properties sold under pre-sale arrangements are completed and delivered to the property buyers on schedule as planned. The Group will maintain continuous communication with its major constructors and suppliers and negotiate the payment arrangements with them so as to complete the construction progress as scheduled. This will also enable the Group to release the remaining guarantee deposits for construction of pre-sale properties from the designated bank accounts to meet its other financial obligations;
- (v) The Group will continue to monitor its compliance with the covenant requirements of those borrowings that are subject to financial covenant requirements. In the situation that the financial performance of the Group continues to deteriorate and the Group anticipates failing to comply with any of these covenant requirements, the Group will negotiate with the respective lenders and seek for their agreement to either obtain a waiver of compliance with the covenant requirements or to relax the covenant requirements, as appropriate;

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 2 Basis of preparation *(Continued)*

#### 2.1 Going concern basis *(Continued)*

- (vi) The Group will strive to revitalise under-performing assets including hotels, office buildings and shops and consider to dispose of its investments in property development projects to generate more cash inflows if needed. On 25 August 2023, the Group entered a disposal agreement with a third-party purchaser and an associate of the Group, pursuant to which, the Group agreed to sell and the purchaser agreed to purchase the Group's 26.67% equity interest in the associate, at a total consideration of approximately RMB1,292 million. This disposal transaction has been completed and approximately RMB700 million of cash consideration has been collected after deducting the RMB541 million of balance due to the associate from the total consideration as of the date of this interim financial information; and
- (vii) The Group will strictly control ineffective production capacity and reduce various non-core and non-essential operating expenses; continue to strengthen cost control and apply the zeroing principle to other expenses except for rigid costs; further streamline the organisational structure; and take further measures to reduce selling and marketing costs and administrative expenses.

The directors of the Company have reviewed the Group's cash flow projections, which covers a period of not less than 12 months from 30 June 2023. The directors of the Company are of the opinion that, considering the anticipated cash inflows to be generated from the Group's operations taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 30 June 2023. Accordingly, this interim financial information has been prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the followings:

- (i) Successful progression and completion of the above-mentioned debt management measures, which will be subject to various external conditions that are beyond the Group's control, including but not limited to lenders' agreement to the proposals made by the Group, possible material adverse changes in the market during the process and fulfilment of legal or regulatory requirements;

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 2 Basis of preparation *(Continued)*

#### 2.1 Going concern basis *(Continued)*

- (ii) Successful and timely refinancing of its existing bank and other borrowings upon maturity, and obtaining new financing from financial institutions. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings are agreeable to the terms and conditions for extension or refinancing; (3) whether the new borrowings can be issued at cost acceptable to the Group; and (4) the Group's ability to continuously comply with the relevant terms and conditions of its borrowings;
- (iii) Successful implementation of the plans and measures to adjust the sales and pre-sales activities to achieve its budgeted sales and pre-sales volumes and amounts, and timely collection of the relevant sales proceeds and other receivables;
- (iv) Successful monitoring of the progress of construction of its property development projects according to the sales plan, negotiations with the major constructors and suppliers to conduct business under commercial and credit terms acceptable to the Group, fulfillment of its project construction and related payment obligations on agreed schedules, and completion and delivery of properties to the customers on schedule as planned;
- (v) Continuous compliance of the financial covenant requirements of the related borrowings and, where applicable, successful negotiation with the lenders to obtain waiver of compliance with the covenant requirements or to relax the covenant requirements of these borrowings for the continuous compliance thereof as and when needed;
- (vi) Successful revitalisation of under-performing assets and disposal of investments in property development projects; and
- (vii) Successful implementation of measures to reduce non-core and non-essential operating expenses, and further streamline the organisational structure and reduce selling and marketing costs and administrative expenses.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in this interim financial information.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**3 Material accounting policies**

Except as described in Note 4 below, the accounting policies applied are consistent with those of the 2022 Financial Statements as described therein.

The Group made policy election for the first time on transition to HKFRS 17 on 1 January 2023 and chose to apply HKFRS 9 to account for financial guarantee contracts. Except for the policy election of which the impact is set out in Note 4 below, other amendments to existing standards that are effective for the financial year beginning on 1 January 2023 and adopted by the Group for this period either do not have a material impact or are not relevant to the Group.

Revised standard and amendments to existing standards that have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted:

		<b>Effective for the financial year beginning on or after</b>
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16	Lease liability in sale and leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of financial statements — classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2024
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 revised standard and amendments to existing standards is expected to have a significant impact on the Group's accounting policies.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 4 Change in accounting policy

The Group made policy election for the first time on transition to HKFRS 17 on 1 January 2023 and chose to apply HKFRS 9 to account for financial guarantee contracts, but has not restated comparative figures as the impact is not material. The loss allowance on financial guarantee contracts thus resulted as at 1 January 2023, totally approximately RMB247 million, is therefore recognised in profit or loss in the current period.

Financial guarantee contracts are measured at fair value on initial recognition and subsequently at the higher of the amount of the loss allowance determined in accordance with the impairment requirements of HKFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with HKFRS 15.

### 5 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 2022 Financial Statements.

### 6 Financial risk management

#### 6.1 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 2022 Financial Statements.

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**6 Financial risk management** *(Continued)***6.2 Credit risk**

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, derivative financial assets, wealth management products and cash deposits with banks.

The carrying amounts of trade and other receivables, contract assets, derivative financial assets, wealth management products, restricted cash and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

As at 30 June 2023, the loss allowance provision for contract assets was not material.

As at 30 June 2023, the aging of trade receivables and the loss allowance provision based on dates of delivery of goods and dates of rendering of services are as follow:

Trade receivables	30 June 2023			Total
	Within 180 days	More than 180 days	More than 365 days	
Expected loss rate	0.06%	0.95%	34.16%	
Gross carrying amount (RMB million)	28,383	1,681	723	30,787
Loss allowance provision (RMB million)	16	16	247	279

Other receivables (excluding deposits for acquisitions of companies and prepayments)	Gross carrying amount	Loss allowance provision	Expected loss rate
	(RMB million)	(RMB million)	
Stage 1 (12-month expected credit losses ("ECL"))	238,579	2,507	1.05%
Stage 2 (Lifetime ECL)	46,726	5,552	11.88%
Stage 3 (Lifetime ECL)	5,676	4,778	84.18%
Total	290,981	12,837	

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 6 Financial risk management (Continued)

## 6.2 Credit risk (Continued)

Trade receivables	31 December 2022			Total
	Within 180 days	More than 180 days	More than 365 days	
Expected loss rate	0.06%	0.92%	32.55%	
Gross carrying amount (RMB million)	31,706	2,731	719	35,156
Loss allowance provision (RMB million)	18	25	234	277
Other receivables (excluding deposits for acquisitions of companies and prepayments)		Gross carrying amount (RMB million)	Loss allowance provision (RMB million)	Expected loss rate
Stage 1 (12-month ECL)		278,232	2,515	0.90%
Stage 2 (Lifetime ECL)		24,856	2,630	10.58%
Stage 3 (Lifetime ECL)		5,102	4,292	84.12%
Total		308,190	9,437	

As at 30 June 2023, the loss allowance provision for trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and financial guarantee contracts reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB million	Other receivables (excluding deposits for acquisitions of companies and prepayments) RMB million	Financial guarantee contracts RMB million	Total RMB million
Loss allowance as at 1 January 2022	228	6,427	N/A	6,655
Provision for loss allowance recognised in profit or loss during the period	45	257	N/A	302
Loss allowance as at 30 June 2022	273	6,684	N/A	6,957
Loss allowance as at 1 January 2023	<b>277</b>	<b>9,437</b>	—	<b>9,714</b>
Provision for loss allowance recognised in profit or loss during the period	<b>2</b>	<b>6,267</b>	<b>393</b>	<b>6,662</b>
Derecognition of other receivables (i)	—	<b>(2,867)</b>	—	<b>(2,867)</b>
Loss allowance as at 30 June 2023	<b>279</b>	<b>12,837</b>	<b>393</b>	<b>13,509</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**6 Financial risk management** *(Continued)***6.2 Credit risk** *(Continued)*

- (i) These other receivables have been settled upon the completion of business combination.

As at 30 June 2023, the gross carrying amount of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) was RMB321,768 million (31 December 2022: RMB343,346 million) and the maximum exposure to loss was RMB321,768 million (31 December 2022: RMB343,346 million). The Group made no write-off of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and contract assets during the period (30 June 2022: nil).

**6.3 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 the 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
<b>Unaudited</b>					
<b>At 30 June 2023</b>					
Senior notes	13,950	11,295	37,248	16,578	79,071
Corporate bonds	22,048	2,889	2,845	—	27,782
Convertible bonds	7,047	—	—	—	7,047
Bank and other borrowings	78,587	59,874	30,294	3,901	172,656
Trade and other payables (excluding other taxes payable and salaries payable)	389,114	—	—	—	389,114
Lease liabilities	188	125	177	126	616
Derivative financial instruments	44	25	66	—	135
	510,978	74,208	70,630	20,605	676,421
Financial guarantee contracts	390,043	—	—	—	390,043

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 6 Financial risk management (Continued)

## 6.3 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
<b>Audited</b>					
<b>At 31 December 2022</b>					
Senior notes	6,320	13,514	46,475	16,868	83,177
Corporate bonds	26,956	3,384	3,333	—	33,673
Convertible bonds	2,973	4,001	—	—	6,974
Bank and other borrowings	69,737	68,122	36,710	4,046	178,615
Trade and other payables (excluding other taxes payable and salaries payable)	374,558	—	—	—	374,558
Lease liabilities	164	115	120	84	483
Derivative financial instruments	175	60	274	—	509
	480,883	89,196	86,912	20,998	677,989
Financial guarantee contracts	426,065	—	—	—	426,065

## 6.4 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. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
<b>At 30 June 2023</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income ("FVOCI")	42	—	9,302	9,344
Derivative financial instruments	—	325	—	325
Financial assets at fair value through profit or loss ("FVTPL")	202	1,746	9,704	11,652
Total	244	2,071	19,006	21,321
<b>Liabilities</b>				
Derivative financial instruments	—	135	—	135

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 6 Financial risk management (Continued)

## 6.4 Fair value estimation (Continued)

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
<b>At 31 December 2022</b>				
<b>Assets</b>				
Financial assets at FVOCI	26	—	9,599	9,625
Derivative financial instruments	—	212	—	212
Financial assets at FVTPL	202	1,947	9,265	11,414
<b>Total</b>	<b>228</b>	<b>2,159</b>	<b>18,864</b>	<b>21,251</b>
<b>Liabilities</b>				
Derivative financial instruments	—	509	—	509

The following table presents the changes in level 3 financial instruments for the period ended 30 June 2023 and 2022:

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
<b>At 1 January</b>	<b>18,864</b>	19,318
Additions	334	5
Fair value changes	(136)	716
Disposals	(56)	—
<b>At 30 June</b>	<b>19,006</b>	20,039

- (a) There is no material unrealised gain or loss recognised in profit or loss in the current period (2022: 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 7 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.

During the period, the executive directors of the Company concluded that the Group only has two reportable segments — Property development and Technology-enabled construction following the strategic change of the Group. Technology-enabled construction segment includes the construction and smart construction business, which were formerly included in Construction and Others segment, respectively. The Others segment mainly includes property investment and hotel operation, which are individually and collectively insignificant for segment reporting purposes. The comparative information has been restated accordingly.

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, completed properties held for sale, investments in joint ventures, investments in associates, 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, derivative financial instruments and deferred income tax liabilities.

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

Revenue consists of the following:

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
Sales of properties	220,803	156,373
Rendering of technology-enabled construction services	3,272	3,507
Rental income	497	425
Others	1,737	2,058
	<b>226,309</b>	162,363

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**7 Revenue and segment information (Continued)**

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. Geographical information is therefore not presented.

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

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

	Property development RMB million	Technology- enabled construction RMB million	Others RMB million	Total RMB million
<b>Six months ended 30 June 2023</b>				
Revenue from contracts with customers	220,803	18,814	10,329	249,946
— Recognised at a point in time	180,948	—	9,524	190,472
— Recognised over time	39,855	18,814	805	59,474
Revenue from other source: rental income	—	—	497	497
Segment revenue	220,803	18,814	10,826	250,443
Inter-segment revenue	—	(15,542)	(8,592)	(24,134)
Revenue from external customers	220,803	3,272	2,234	226,309
Share of results of joint ventures and associates	526	—	(7)	519
Losses arising from changes in fair value of and transfers to investment properties	—	—	(838)	(838)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	313	355	523	1,191
Net impairment losses on financial and contract assets	6,359	76	227	6,662
Segment results	(42,883)	(272)	(1,539)	(44,694)
<b>At 30 June 2023</b>				
Total segment assets after elimination of inter-segment balances	1,451,947	31,795	94,483	1,578,225
Investments in joint ventures and associates	57,458	—	1,039	58,497
Capital expenditure	466	224	360	1,050
Total segment liabilities after elimination of inter-segment balances	961,198	26,768	64,972	1,052,938

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 7 Revenue and segment information (Continued)

	Property development RMB million	Technology- enabled construction RMB million	Others RMB million	Total RMB million
<b>Six months ended 30 June 2022</b>				
Revenue from contracts with customers	156,373	20,147	10,027	186,547
— Recognised at a point in time	125,516	—	9,198	134,714
— Recognised over time	30,857	20,147	829	51,833
Revenue from other source: rental income	—	—	425	425
Segment revenue	156,373	20,147	10,452	186,972
Inter-segment revenue	—	(16,640)	(7,969)	(24,609)
Revenue from external customers	156,373	3,507	2,483	162,363
Share of results of joint ventures and associates	1,893	—	(38)	1,855
Losses arising from changes in fair value of and transfers to investment properties	—	—	(96)	(96)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	366	368	469	1,203
Net impairment losses on financial and contract assets	278	5	19	302
Segment results	9,634	(31)	(798)	8,805
<b>At 31 December 2022</b>				
Total segment assets after elimination of inter-segment balances	1,568,334	33,035	100,105	1,701,474
Investments in joint ventures and associates	66,929	—	1,043	67,972
Capital expenditure	522	821	1,102	2,445
Total segment liabilities after elimination of inter-segment balances	1,009,645	27,873	68,596	1,106,114

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**7 Revenue and segment information** (Continued)

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

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB million</b>	2022 RMB million
Total segment results	<b>(44,694)</b>	8,805
Changes in fair value of derivative financial instruments	<b>—</b>	94
Finance costs — net	<b>(1,454)</b>	(3,541)
(Loss)/profit before income tax	<b>(46,148)</b>	5,358

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

	<b>30 June</b> <b>2023</b> <b>RMB million</b>	31 December 2022 RMB million
	Total segment assets after elimination of inter-segment balances	<b>1,578,225</b>
Derivative financial instruments	<b>325</b>	212
Deferred income tax assets	<b>39,979</b>	42,781
<b>Total assets</b>	<b>1,618,529</b>	1,744,467
Total segment liabilities after elimination of inter-segment balances	<b>1,052,938</b>	1,106,114
Current income tax liabilities	<b>29,314</b>	31,719
Senior notes	<b>68,682</b>	70,655
Corporate bonds	<b>26,944</b>	32,319
Convertible bonds	<b>6,103</b>	5,793
Bank and other borrowings	<b>156,176</b>	162,540
Derivative financial instruments	<b>135</b>	509
Deferred income tax liabilities	<b>23,868</b>	25,245
<b>Total liabilities</b>	<b>1,364,160</b>	1,434,894

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 8 Property, plant and equipment and investment properties

	Property, plant and equipment RMB million	Investment properties RMB million
<b>Six months ended 30 June 2023</b>		
<b>Opening net book amount at 1 January 2023</b>	<b>25,601</b>	<b>14,250</b>
Acquisition of subsidiaries (note 33)	181	4,019
Other additions	656	—
Transfer from properties under development and completed properties held for sale	—	180
Revaluation losses upon transfer from properties under development and completed properties held for sale	—	(25)
Fair value changes	—	(813)
Disposals of subsidiaries	(111)	—
Other disposals	(604)	(20)
Depreciation	(968)	—
Exchange differences	4	—
<b>Closing net book amount at 30 June 2023</b>	<b>24,759</b>	<b>17,591</b>
Losses arising from changes in fair value of and transfer to investment properties represent:		
— revaluation losses upon transfer from properties under development and completed properties held for sale		(25)
— fair value changes		(813)
		<b>(838)</b>

The Group's investment properties were valued at transfer or business acquisition dates, and at 30 June 2023 and 31 December 2022 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent and professionally qualified valuer who holds 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 2023 and 31 December 2022, the Group only had investment properties measured at level 3 valuation.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 9 Properties under development

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Properties under development expected to be completed and delivered:		
– Within one operating cycle included under current assets	<b>818,244</b>	883,887
– Beyond one operating cycle included under non-current assets	<b>25,329</b>	28,355
	<b>843,573</b>	912,242
Amounts comprise:		
– Construction costs including depreciation and staff cost capitalised	<b>346,593</b>	389,918
– Land costs	<b>481,453</b>	498,841
– Borrowing costs capitalised	<b>15,527</b>	23,483
	<b>843,573</b>	912,242

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

At 30 June 2023, properties under development included the costs to fulfil the contracts, amounting to RMB11,579 million (31 December 2022: RMB15,619 million), the revenue of the related contracts is recognised over time.

During the six months ended 30 June 2023, net write-downs of properties under development and completed properties held for sale to net realisable value amounted to RMB40,338 million (six months ended 30 June 2022: RMB5,061 million). These were recognised as an expense and included in "cost of sales" in the consolidated income statement.

The capitalisation rate used to determine the amount of interest on general borrowings incurred eligible for capitalisation for the six months ended 30 June 2023 was 5.77% per annum (six months ended 30 June 2022: 5.63% per annum). Most of the properties under development are located in Mainland China.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 10 Investments in joint ventures

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
<b>At 1 January</b>	<b>45,340</b>	49,664
Additions	—	401
Disposals	<b>(6,598)</b>	(1,294)
Dividends	<b>(145)</b>	(1,011)
Share of results	<b>322</b>	713
<b>At 30 June</b>	<b>38,919</b>	48,473

As at 30 June 2023, 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 RMB1,921 million (31 December 2022: RMB3,769 million).

## 11 Investments in associates

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
<b>At 1 January</b>	<b>22,632</b>	23,177
Additions	<b>11</b>	—
Disposals	<b>(2,006)</b>	(1,790)
Dividends	<b>(1,256)</b>	(530)
Share of results	<b>197</b>	1,142
<b>At 30 June</b>	<b>19,578</b>	21,999

As at 30 June 2023, certain borrowings of associates were guaranteed by the Group and/or secured by the Group's certain interests in associates with an aggregate carrying value of RMB884 million (31 December 2022: RMB835 million).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 12 Trade and other receivables

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Included in current assets		
– Trade receivables — net (note (a))	<b>30,508</b>	34,879
– Other receivables — net (note (b))	<b>278,144</b>	298,753
– Prepayments for land (note (c))	<b>7,358</b>	13,511
– Other prepayments (note (d))	<b>36,085</b>	32,874
	<b>352,095</b>	380,017
Included in non-current assets		
– Deposits for acquisitions of companies (note (e))	<b>3,885</b>	12,484
	<b>355,980</b>	392,501

(a) Details of trade receivables are as follows:

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Trade receivables	<b>30,787</b>	35,156
Less: allowance for impairment (note 6.2)	<b>(279)</b>	(277)
Trade receivables — net	<b>30,508</b>	34,879

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:

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Within 90 days	<b>26,183</b>	29,355
Over 90 days and within 180 days	<b>2,200</b>	2,351
Over 180 days and within 365 days	<b>1,681</b>	2,731
Over 365 days	<b>723</b>	719
	<b>30,787</b>	35,156

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**12 Trade and other receivables** *(Continued)*(a) *(Continued)*

As at 30 June 2023 and 31 December 2022, trade receivables were mainly denominated in RMB.

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

(b) Details of other receivables are as follows:

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Amounts due from joint ventures, associates and other related parties	<b>98,425</b>	111,447
Land auction and other deposits	<b>11,982</b>	12,690
Others (i)	<b>180,574</b>	184,053
	<b>290,981</b>	308,190
Less: allowance for impairment (note 6.2)	<b>(12,837)</b>	(9,437)
Other receivables — net	<b>278,144</b>	298,753

(i) These receivables mainly included current accounts due from the other shareholders of certain subsidiaries 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 2023.
- (d) Other prepayments mainly included prepaid value-added taxes and prepayments for purchases of construction materials and services.
- (e) Amounts represent deposits paid for acquisitions of certain property development companies which have not been completed as at the end of the reporting period.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**13 Contract assets and contract acquisition costs**

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

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Contract assets related to sales of properties	<b>7,114</b>	7,062
Contract assets related to construction services	<b>6,450</b>	6,831
Contract acquisition costs	<b>10,009</b>	11,153
Total contract assets and contract acquisition costs	<b>23,573</b>	25,046

**14 Cash and cash equivalents**

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Cash at banks and in hand (note (b))	<b>130,569</b>	147,550
Less: restricted cash (note (a))	<b>(29,454)</b>	(19,269)
	<b>101,115</b>	128,281

- (a) The balance mainly included unreleased guarantee deposits for construction of pre-sale properties, guarantee deposits for workers' wages and funds frozen as a result of litigations.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**14 Cash and cash equivalents** *(Continued)*

(b) Cash and bank deposits are denominated in the following currencies:

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
RMB	<b>126,937</b>	139,163
HKD	<b>717</b>	3,608
USD	<b>809</b>	2,426
RM	<b>953</b>	1,374
Other currencies	<b>1,153</b>	979
	<b>130,569</b>	147,550

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.

**15 Financial assets at fair value through profit or loss**

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Listed equity securities (note (a))	<b>202</b>	202
Unlisted equity investments (note (a))	<b>9,704</b>	9,265
Wealth management products (note (b))	<b>1,746</b>	1,947
	<b>11,652</b>	11,414

(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 2023 and 31 December 2022.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**16 Trade and other payables**

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Trade payables (note (a))	<b>202,237</b>	191,621
Other payables (note (b))	<b>186,877</b>	182,937
Other taxes payable (note (c))	<b>55,667</b>	56,838
Salaries payable	<b>3,764</b>	5,959
	<b>448,545</b>	437,355

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

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Within 365 days	<b>199,332</b>	188,869
Over 365 days	<b>2,905</b>	2,752
	<b>202,237</b>	191,621

- (b) Other payables mainly included deposits from property buyers and current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.
- (c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB54,573 million (31 December 2022: RMB66,087 million), value-added taxes payable and other taxes.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 17 Senior notes

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
At 1 January	70,655	75,069
Repurchase and purchase under tender offer (note (a))	(1,771)	(3,132)
Repayment upon maturity (note (a))	(2,629)	(2,604)
Interest expenses	1,807	1,962
Coupon interest paid	(1,843)	(2,010)
Exchange differences	2,463	3,801
At 30 June	68,682	73,086
Less: current portion included in current liabilities	(11,490)	(6,977)
Included in non-current liabilities	57,192	66,109

(a) During the period, the Group has repaid on maturity and repurchased senior notes as follows:

Name of notes	Par value million	Interest rate	Issue date	Term of the notes
Repaid during the period on maturity:				
2023 Notes III — tranche I	USD250	4.750%	17 January 2018	5 years
2023 Notes III — tranche II	USD141	4.750%	31 July 2018	4.5 years
Repurchase during the period (i):				
2025 Notes — tranche II	USD21	5.125%	4 September 2018	6.4 years
2024 Notes — tranche II	USD34	8.000%	25 January 2019	5 years
2024 Notes II	USD22	6.500%	8 April 2019	5 years
2025 Notes II	USD23	6.150%	17 September 2019	6 years
2025 Notes III	USD27	5.400%	27 May 2020	5 years
2025 Notes IV	USD118	3.125%	22 October 2020	5 years

(i) During the period, the Group repurchased the senior notes as stated in the table above. The carrying amount of these notes at the time of the payment was USD245 million (equivalent to approximately RMB1,695 million) in aggregate, resulting in a net gain on repurchase of USD90 million (equivalent to approximately RMB623 million) in aggregate which was charged to profit or loss under 'finance costs — net' (note 25).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**17 Senior notes** (Continued)

- (b) As at 30 June 2023, all senior notes are listed on the SGX, and contain various early redemption options.

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 2023 and 31 December 2022.

**18 Corporate bonds**

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
At 1 January	32,319	34,160
Additions (note (a))	1,891	749
Repayment upon maturity	(7,463)	(1,196)
Interest expenses	682	790
Coupon interest paid	(470)	(543)
Exchange differences	(15)	(5)
At 30 June	26,944	33,955
Less: current portion included in current liabilities	(21,590)	(12,825)
Included in non-current liabilities	5,354	21,130

- (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
Medium-term notes of Country Garden Property issued in 2023 — tranche I*	800	3.80%	9 May 2023	2 years
Medium-term notes of Country Garden Property issued in 2023 — tranche II*	900	3.95%	9 May 2023	2 years
Callable and Secured Debentures of Risland (Thailand) CO., LTD. No. 1/2566 Due B.E. 2567	203	7.50%	17 March 2023	1.76 years

\* These medium-term notes are listed on the National Association of Financial Market Institutional Investors.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**18 Corporate bonds** *(Continued)*

- (b) Certain corporate bonds issued by the Group contain a debt component, put options 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 options and coupon rate adjustment options were insignificant on initial recognition date and at 30 June 2023 and 31 December 2022.

**19 Convertible bonds**

	<b>Six months ended 30 June</b>	
	<b>2023</b> RMB million	2022 RMB million
Liability component as at 1 January	<b>5,793</b>	2,168
Additions	—	2,870
Interest expenses	<b>270</b>	221
Coupon interest paid	<b>(144)</b>	(57)
Exchange differences	<b>184</b>	234
Liability component as at 30 June	<b>6,103</b>	5,436
Less: current portion included in current liabilities	<b>(6,103)</b>	(78)
Included in non-current liabilities	—	5,358

As at 30 June 2023, there has been no conversion of the 2023 Convertible Bonds and 2026 Convertible Bonds.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**20 Bank and other borrowings**

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Included in non-current liabilities:		
– Secured	<b>117,788</b>	116,786
– Unsecured	<b>34,216</b>	44,045
Less: current portion of non-current liabilities	<b>(65,348)</b>	(59,496)
	<b>86,656</b>	101,335
Included in current liabilities:		
– Secured	<b>3,927</b>	494
– Unsecured	<b>245</b>	1,215
Current portion of non-current liabilities	<b>65,348</b>	59,496
	<b>69,520</b>	61,205
<b>Total bank and other borrowings</b>	<b>156,176</b>	162,540

The Group's borrowings as at 30 June 2023 of RMB121,715 million (31 December 2022: RMB117,280 million) were secured by the Group's certain properties, right-of-use assets, equipment and financial assets at FVTPL of the Group with total carrying values of RMB101,263 million (31 December 2022: RMB88,821 million), and/or equity investment interests.

The weighted average effective interest rate was 6.22% per annum for the six months ended 30 June 2023 (six months ended 30 June 2022: 5.90% 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:

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
RMB	<b>113,782</b>	119,860
HKD	<b>23,014</b>	23,027
USD	<b>15,416</b>	15,751
RM	<b>2,185</b>	2,106
Others	<b>1,779</b>	1,796
	<b>156,176</b>	162,540

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 21 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
<b>Authorised</b>							
At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023, HKD0.10 per share	100,000	10,000					
<b>Issued and fully paid</b>							
At 1 January 2022	23,148	2,314	2,159	38,928	41,087	(2,300)	38,787
Exercise of employee share schemes	7	1	1	(9)	(8)	73	65
At 30 June 2022	23,155	2,315	2,160	38,919	41,079	(2,227)	38,852
<b>Issued and fully paid</b> At 1 January 2023 and 30 June 2023	<b>27,637</b>	<b>2,763</b>	<b>2,560</b>	<b>50,201</b>	<b>52,761</b>	<b>(2,225)</b>	<b>50,536</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 22 Other reserves and retained earnings

	Merger reserve	Statutory reserve	Share option reserve	FVOCI reserve	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Deferred costs of hedging reserve	Others	Total other reserves	Retained earnings	Total
	RMB million	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 2023	(150)	25,028	2,298	(26)	(1,949)	889	(115)	(266)	(1,879)	23,830	129,257	153,087
Loss for the period	–	–	–	–	–	–	–	–	–	–	(48,932)	(48,932)
Employee share schemes												
– Value of employee services	–	–	208	–	–	–	–	–	–	208	–	208
Changes in fair value of financial assets at FVOCI	–	–	–	(236)	–	–	–	–	–	(236)	–	(236)
Disposals of financial assets at FVOCI	–	–	–	(39)	–	–	–	–	–	(39)	39	–
Changes in ownership interests in subsidiaries without change of control (note 31)	–	–	–	–	–	–	–	–	580	580	–	580
Currency translation differences	–	–	–	–	(9)	–	–	–	–	(9)	–	(9)
Disposals of subsidiaries	–	(7)	–	–	–	–	–	–	–	(7)	7	–
Deferred costs of hedging	–	–	–	–	–	–	–	(173)	–	(173)	–	(173)
Balance at 30 June 2023	(150)	25,021	2,506	(301)	(1,958)	889	(115)	(439)	(1,299)	24,154	80,371	104,525

	Merger reserve	Statutory reserve	Share option reserve	FVOCI reserve	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Deferred costs of hedging reserve	Others	Total other reserves	Retained earnings	Total
	RMB million	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 2022	(150)	24,741	1,875	50	(2,304)	889	(120)	453	(2,743)	22,691	137,258	159,949
Profit for the period	–	–	–	–	–	–	–	–	–	–	612	612
2021 final dividend	–	–	–	–	–	–	–	–	–	–	(2,343)	(2,343)
Employee share schemes												
– Value of employee services	–	–	144	–	–	–	–	–	–	144	–	144
– Exercise of employee share schemes	–	–	(35)	–	–	–	–	–	–	(35)	–	(35)
Equity component of convertible bonds issued	–	–	–	–	–	–	–	–	291	291	–	291
Changes in fair value of financial assets at FVOCI	–	–	–	394	–	–	–	–	–	394	–	394
Partial cancellation of written call options	–	–	–	–	–	–	–	–	(785)	(785)	582	(203)
Changes in ownership interests in subsidiaries without change of control	–	–	–	–	–	–	–	–	197	197	–	197
Currency translation differences	–	–	–	–	281	–	–	–	–	281	–	281
Disposals of subsidiaries	–	(123)	–	–	–	–	–	–	–	(123)	123	–
Deferred gains on cash flow hedges	–	–	–	–	–	–	7	–	–	7	–	7
Deferred costs of hedging	–	–	–	–	–	–	–	(684)	–	(684)	–	(684)
Balance at 30 June 2022	(150)	24,618	1,984	444	(2,023)	889	(113)	(231)	(3,040)	22,378	136,232	158,610

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**23 Other income and (losses)/gains – net**

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB million</b>	2022 RMB million
Other income		
– Government subsidy income	<b>153</b>	161
– Forfeiture income	<b>114</b>	179
– Management and other related service income	<b>27</b>	206
	<b>294</b>	546
Other (losses)/gains		
– (Losses)/gains on disposals of joint ventures and associates	<b>(1,713)</b>	490
– Losses on disposals of subsidiaries (note 32)	<b>(667)</b>	(1,348)
– Losses on disposals of property, plant and equipment	<b>(99)</b>	(55)
– Losses on disposals of investment properties	<b>(13)</b>	–
– Changes in fair value of financial assets at FVTPL	<b>145</b>	197
– Changes in fair value of derivative financial instruments	<b>–</b>	94
– Gains arising from negative goodwill	<b>–</b>	71
– Others	<b>(836)</b>	71
	<b>(3,183)</b>	(480)
Total other income and (losses)/gains – net	<b>(2,889)</b>	66

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 24 Expenses by nature

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
Cost of property sold and construction services	209,004	138,236
Net write-down of properties under development and completed properties held for sale	40,338	5,061
Employee benefit expenses	4,706	5,529
Sales commission to agents	1,801	1,224
Depreciation of property, plant and equipment	860	925
Property management and other services expenses	815	870
Advertising and promotion costs	814	565
Other taxes and levies	574	820
Depreciation of right-of-use assets	168	141
Amortisation of intangible assets	163	137
Donations	63	152
Others	1,827	1,327
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	261,133	154,987

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 25 Finance costs – net

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
Finance income:		
– Interest income on bank deposits and others	961	914
– Gains on repurchase of senior notes (note 17(a))	623	27
	<b>1,584</b>	941
Finance costs:		
– Interest expenses on bank borrowings, senior notes, corporate bonds and others	(7,042)	(8,864)
– Interest expenses on lease liabilities	(12)	(13)
	<b>(7,054)</b>	(8,877)
Less: amounts capitalised on qualifying assets	7,054	8,877
	–	–
Net foreign exchange losses	(3,038)	(4,482)
Finance costs – net	<b>(1,454)</b>	(3,541)

## 26 Income tax expenses

	Six months ended 30 June	
	2023 RMB million	2022 RMB million
Current income tax		
– Corporate income tax	1,449	3,048
– Land appreciation tax	3,332	2,373
	<b>4,781</b>	5,421
Deferred income tax	532	(1,970)
	<b>5,313</b>	3,451

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**26 Income tax expenses** *(Continued)*

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) The Mainland China corporate income tax 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.

**27 Dividend**

On 30 August 2023, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (2022 interim dividend: nil).

**28 (Losses)/earnings per share****(a) Basic**

Basic (losses)/earnings per share is calculated by dividing the (loss)/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.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
(Loss)/profit attributable to owners of the Company (RMB million)	<b>(48,932)</b>	612
Weighted average number of ordinary shares in issue (million)	<b>27,355</b>	22,862
(Losses)/earnings per share — Basic (RMB yuan per share)	<b>(1.79)</b>	0.03

## NOTES TO THE INTERIM FINANCIAL INFORMATION

## 28 (Losses)/earnings per share (Continued)

## (b) Diluted

Diluted (losses)/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 (loss)/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, written call options and conversion of convertible bonds. For the six months ended 30 June 2023, the share options, awarded shares, written call options and convertible bonds were excluded from the computation of diluted losses per share as they were anti-dilutive (For the six months ended 30 June 2022: written call options and convertible bonds were excluded from the computation of diluted earnings per share).

	Six months ended 30 June	
	2023	2022
(Loss)/profit attributable to owners of the Company (RMB million)	<b>(48,932)</b>	612
Interest expense on convertible bonds (RMB million)	<b>N/A</b>	N/A
(Loss)/profit attributable to owners of the Company used to determine diluted (losses)/earnings per share (RMB million)	<b>(48,932)</b>	612
Weighted average number of ordinary shares in issue (million)	<b>27,355</b>	22,862
Adjustments — share options and awarded shares (million)	<b>—</b>	27
Weighted average number of ordinary shares for diluted (losses)/earnings per share (million)	<b>27,355</b>	22,889
(Losses)/earnings per share — Diluted (RMB yuan per share)	<b>(1.79)</b>	0.03

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**29 Guarantees**

	<b>30 June 2023 RMB million</b>	31 December 2022 RMB million
Guarantees in respect of mortgage facilities for certain property buyers (note (a))	<b>377,515</b>	401,887
Guarantees to joint ventures, associates and other related parties in respect of liabilities (note (b))	<b>12,528</b>	24,178
	<b>390,043</b>	426,065
Less: allowance for impairment	<b>(393)</b>	N/A
	<b>389,650</b>	426,065

- (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 the earlier of (i) issuance of the real estate ownership certificates which are generally available within three months after the buyers taking possession of the relevant properties; and (ii) the satisfaction of mortgaged loans by the property buyers.
- (b) These mainly represented the maximum exposure of the guarantees provided for the borrowings of certain joint ventures and associates.

**30 Contingencies**

From time to time, the Group may become involved in litigations relating to claims arising from the ordinary course of business. The Group believes that there are currently no claims or actions pending against the Group which the ultimate disposition of which could have a material adverse effect on the Group's financial position, results of operations or cash flows. However, litigations are subject to inherent uncertainties and the Group's view of these matters may change in the future. When an unfavorable outcome occurs, there exists the possibility of a material adverse impact on the Group's financial position, results of operations or cash flows for the periods in which the unfavorable outcome occurs, and potentially in future periods.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**31 Transactions with non-controlling interests**

The aggregate effects of transactions with non-controlling interests on the equity attributable to owners of the Company for the six months ended 30 June 2023 are as follows:

	Six months ended 30 June 2023 RMB million
Changes in equity attributable to owners of the Company arising from:	
– Acquisitions of additional interests in subsidiaries (note (a))	572
– Disposal of interests in a subsidiary without loss of control (note (b))	8
	<b>580</b>

- (a) The Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total cash consideration of RMB2,026 million.

The following table summarises the effect of these acquisitions:

	Six months ended 30 June 2023 RMB million
Total carrying amounts of non-controlling interests acquired	2,598
Total consideration	(2,026)
Total difference recognised within equity	572

- (b) The Group disposed of certain equity interests of certain subsidiary for nil cash consideration.

The following table summarises the effect of the disposal:

	Six months ended 30 June 2023 RMB million
Proceeds from disposal	–
Carrying amounts disposed to non-controlling interests	(8)
Total difference recognised within equity	8

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**32 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	1,385
— Outstanding and included in other receivables	65
	1,450
Less :	
— Total net assets of subsidiaries disposed of	(2,246)
— Non-controlling interests disposed of	129
Losses on disposals (note 23)	(667)
Cash proceeds from disposals, net of cash disposed of	
— Cash considerations received	1,385
— Less: cash and cash equivalents in the subsidiaries disposed of	(141)
Net cash inflow on disposals	1,244

**33 Business combinations**

Business combinations during the period mainly included the acquisitions of interest in various property development companies and acquisitions of additional interests in certain joint ventures and associates which were accounted for as the Group's subsidiaries after the acquisitions. 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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**33 Business combinations** *(Continued)*

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

	<b>Six months ended 30 June 2023 RMB million</b>
<b>Total consideration</b>	
— Cash	3,163
— Fair value of investments in joint ventures and associates held before business combinations	6,203
— Effective settlement of other receivables	2,402
	<b>11,768</b>
<b>Total recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	6,437
Restricted cash	1,500
Property, plant and equipment	181
Investment properties	4,019
Intangible assets	2
Right-of-use assets	42
Properties under development and completed properties held for sale	81,331
Prepaid income tax	4,092
Contract assets and contract acquisition costs	926
Trade and other receivables	18,731
Deferred income tax assets	57
Bank and other borrowings	(14,456)
Lease liabilities	(216)
Trade and other payables	(29,249)
Contract liabilities	(51,892)
Current income tax liabilities	(7,577)
Deferred income tax liabilities	(650)
	<b>13,278</b>
Total identifiable net assets	<b>13,278</b>
Non-controlling interests	(1,662)
Goodwill	152
	<b>11,768</b>
Inflow of cash to acquire business, net of cash acquired	
— Cash considerations	(3,163)
— Cash and cash equivalents in the subsidiaries acquired	6,437
	<b>3,274</b>
Net cash inflow on business combinations	<b>3,274</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**33 Business combinations** (Continued)

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

The acquired businesses contributed total revenues of RMB17,108 million and net profit of RMB626 million to the Group for the period from their respective acquisition dates to 30 June 2023. Had these companies been consolidated from 1 January 2023, the interim condensed consolidated income statement of the Group for the six months ended 30 June 2023 would show pro-forma revenue of RMB229,403 million and loss for the period of RMB50,490 million.

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

The Company is ultimately controlled by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”) as to 52.6% as at 30 June 2023.

**(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:

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB million</b>	2022 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	<b>295</b>	1,195
Construction service income	<b>1</b>	9
Purchase of property management and related services	<b>815</b>	870
Property lease income	<b>40</b>	41
Other transactions	<b>113</b>	184
(ii) Joint ventures:		
Provision of guarantee in respect of borrowings	<b>10,246</b>	31,149
Construction service income	<b>1,314</b>	2,912
Other transactions	<b>907</b>	918
(iii) Associates:		
Provision of guarantee in respect of borrowings	<b>2,282</b>	3,552
Construction service income	<b>143</b>	211
Other transactions	<b>74</b>	235

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

**34 Related party transactions (Continued)****(c) Key management compensation**

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

	<b>Six months ended 30 June</b>	
	<b>2023</b> RMB million	2022 RMB million
Salaries, bonus, share-based compensation expenses and other employee benefits	<b>9</b>	37

**(d) Balances with related parties**

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

	<b>30 June</b> <b>2023</b> RMB million	31 December 2022 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	<b>687</b>	1,873
Contract assets and contract acquisition costs	<b>47</b>	31
Trade and other payables	<b>3,309</b>	2,290
Other borrowings	<b>5,263</b>	4,859
(ii) Joint ventures:		
Trade and other receivables	<b>81,753</b>	95,883
Contract assets and contract acquisition costs	<b>2,564</b>	3,078
Trade and other payables	<b>45,830</b>	46,255
(iii) Associates:		
Trade and other receivables	<b>18,364</b>	19,436
Contract assets and contract acquisition costs	<b>745</b>	721
Trade and other payables	<b>14,011</b>	15,174

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 34 Related party transactions *(Continued)*

#### (e) Senior notes

As at 30 June 2023, senior notes with principal amount of USD575 million (equivalent to approximately RMB4,155 million) (31 December 2022: USD580 million, equivalent to approximately RMB4,039 million) and USD30 million (equivalent to approximately RMB217 million) (31 December 2022: USD30 million, equivalent to approximately RMB209 million), USD18 million (equivalent to approximately RMB130 million) (31 December 2022: USD18 million, equivalent to approximately RMB125 million) and USD0.5 million (equivalent to approximately RMB3.6 million) (31 December 2022: USD1.5 million, equivalent to approximately RMB10.5 million) were held by Mr. YEUNG Kwok Keung, Mr. MO Bin, Ms. YANG Ziyang and Ms. WU Bijun respectively.

### 35 Events occurring after the reporting period

On 20 July 2023, the Company as the borrower entered into a facility agreement (the “**Facility Agreement**”) with various financial institutions as the original lenders (the “**Original Lenders**”), and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the Original Lenders have agreed to make available a dual-tranche term loan facilities (with a lender accession option in the amount of USD11 million, equivalent to approximately RMB80 million) denominated in HKD and USD in an amount of HKD3,583 million (equivalent to approximately RMB3,279 million) and USD389 million (equivalent to approximately RMB2,778 million), respectively to the Company for a term of 30 months commencing from the date of the Facility Agreement.

Subsequent to 30 June 2023 and up to the date of this interim financial information, the Group has commenced negotiations with the bondholders of certain domestic corporate bonds due within 12 months from 30 June 2023 to seek their agreement to extend the respective maturity dates. Furthermore, the Group did not make interest payments due in August 2023 of certain senior notes though these interest payments are still within the 30-day grace period as at the date of this interim financial information.

On 25 August 2023, the Group entered a disposal agreement with a third-party purchaser and an associate of the Group, pursuant to which, the Group agreed to sell and the purchaser agreed to purchase the Group’s 26.67% equity interest in the associate, at a total consideration of approximately RMB1,292 million. This disposal transaction has been completed and approximately RMB700 million of cash consideration has been collected after deducting the RMB541 million of balance due to the associate from the total consideration as of the date of this interim financial information. The Group is expected to realise a gain on the disposal before taxation of approximately RMB500 million.

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Ms. YANG Huiyan  
(*Chairman*, succeeded on 1 March 2023)  
Mr. MO Bin (*President*)  
Ms. YANG Ziyang  
Dr. CHENG Guangyu  
Ms. WU Bijun  
Mr. SU Baiyuan  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)

### Non-executive Director

Mr. CHEN Chong

### Independent Non-executive Directors

Mr. LAI Ming, Joseph  
Mr. SHEK Lai Him, Abraham  
Mr. TONG Wui Tung  
Mr. TO Yau Kwok  
Mr. HUANG Hongyan (retired on 23 May 2023)

### CHIEF FINANCIAL OFFICER

Ms. WU Bijun

### JOINT COMPANY SECRETARIES

Mr. LEUNG Chong Shun  
Mr. LUO Jie

### AUTHORIZED REPRESENTATIVES

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

### AUDIT COMMITTEE

Mr. LAI Ming, Joseph (*Chairman*)  
Mr. SHEK Lai Him, Abraham  
Mr. TONG Wui Tung  
Mr. HUANG Hongyan (retired on 23 May 2023)

### REMUNERATION COMMITTEE

Mr. TONG Wui Tung (*Chairman*)  
Ms. YANG Huiyan (appointed on 1 March 2023)  
Mr. MO Bin  
Mr. LAI Ming, Joseph  
Mr. SHEK Lai Him, Abraham  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)  
Mr. HUANG Hongyan (retired on 23 May 2023)

## NOMINATION COMMITTEE

Ms. YANG Huiyan  
(appointed as Chairman on 1 March 2023)  
Mr. LAI Ming, Joseph  
Mr. TONG Wui Tung  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)  
Mr. HUANG Hongyan (retired on 23 May 2023)

## CORPORATE GOVERNANCE COMMITTEE

Ms. YANG Huiyan  
(appointed as Chairman on 1 March 2023)  
Mr. MO Bin  
Dr. CHENG Guangyu (appointed on 1 March 2023)  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. YANG Huiyan  
(appointed as Chairman on 1 March 2023)  
Mr. MO Bin  
Dr. CHENG Guangyu (appointed on 1 March 2023)  
Mr. LAI Ming, Joseph  
Mr. SHEK Lai Him, Abraham  
Mr. TONG Wui Tung  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)

## EXECUTIVE COMMITTEE

Ms. YANG Huiyan  
(appointed as Chairman on 1 March 2023)  
Mr. MO Bin  
Ms. YANG Ziyang  
Dr. CHENG Guangyu (appointed on 1 March 2023)  
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)

## FINANCE COMMITTEE\*

Ms. WU Bijun (*Chairman*)  
Ms. YANG Huiyan  
Mr. MO Bin  
Ms. YANG Ziyang  
Dr. CHENG Guangyu

\* 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  
17/F, Far East Finance Centre  
16 Harcourt Road  
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

**As to PRC law:**

King & Wood Mallesons  
Guangdong GuoDing Law Firm  
DeHeng Law Offices  
Allbright Law Offices  
Dentons Law Firm  
Grandall Law Firm  
TianTong Law Firm  
Yingke Law Firm

**STOCK CODES**

Stock Exchange 2007  
Reuters 2007.HK  
Bloomberg 2007 HK Equity

**WEBSITE**

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

**FINANCIAL CALENDAR 2023**

Announcement of 2023 interim results 30 August

## 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
“2023 AGM”	the annual general meeting of the Company held on 23 May 2023
“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
“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
“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 loss attributable to the owners of the Company”	realized loss 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 Property”	Country Garden Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Environmental, Social and Governance Committee”	environmental, social and governance committee of the Company
“Executive Committee”	executive committee of the Company

## GLOSSARY

“Finance Committee”	finance committee of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mainland China”	the People’s Republic of China, for the purpose of this interim report, excluding Hong Kong, Macau and Taiwan
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“municipal administrative regions”	include prefecture-level cities, prefectures, autonomous prefectures, leagues, province-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 total cash
“net gearing ratio”	a financial leverage calculated as dividing net debt by total equity
“Nomination Committee”	nomination committee of the Company
“PRC” or “China”	the People’s Republic of China
“President”	president of the Company
“Remuneration Committee”	remuneration committee of the Company
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX”	Singapore Exchange Securities Trading Limited

## GLOSSARY

“Share Option Schemes”	2007 Share Option Scheme and 2017 Share Option Scheme
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HKD0.10 each
“Shareholder(s)”	shareholder(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“total cash”	the sum of cash and cash equivalents and restricted cash
“USD”	US dollar, the lawful currency of the United States of America
“%”	per cent



[www.countrygarden.com.cn](http://www.countrygarden.com.cn)

