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COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2021, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB303.09 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 34.51 million sq.m., representing a year-on-year increase of 14% and 8% respectively. During the period, the Group's attributable cash collection ratio reached 90%.
- During the period, the Group recorded total revenue of approximately RMB234.93 billion and gross profit of approximately RMB46.28 billion.
- The Group's net profit rose by 2.3% year on year to approximately RMB22.42 billion.
- The core net profit attributable to the owners of the Company¹ rose by 4.2% year on year to approximately RMB15.22 billion.
- As at 30 June 2021, the Group's total debt decreased to approximately RMB324.24 billion, with a net gearing ratio down by 5.9 percentage points to 49.7% compared with that at the end of last year. The weighted average borrowing cost decreased by 17 basis points to 5.39% comparing with that as at 31 December 2020.
- The Board declared payment of an interim dividend of RMB20.98 cents per share (the shareholders may choose to receive dividends in cash and/or in shares). The total interim dividend rose by 4.2% year on year, equaling to 31.0% of the core net profit attributable to the owners of the Company.

¹ The core net profit attributable to the owners of the Company represents realized earnings of this period attributable to owners of the Company excluding effects such as fair value changes and net foreign exchange gains/losses.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Country Garden Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**Country Garden**”) for the six months ended 30 June 2021.

BUSINESS REVIEW AND OUTLOOK

Progressing steadily towards success amid development.

Grateful to have been established in an epoch of great social change, Country Garden aligns itself with the social and economic trends set off by the state’s reform policy. It has put itself at the forefront of the country’s new type of urbanization, constructing high-quality yet affordable housing for the people. In the new era, Country Garden keeps pace with society’s development by actively developing its high-tech businesses such as robotics and modern agriculture, and by devoting itself to rural revitalization. The Company is applying technology to make people’s life better as it aspires to become a hi-tech conglomerate with the mission of contributing to social happiness.

In the first half of the year, the Chinese government firmly adhered to the principle that “housing is for living in, not for speculation” and accordingly forged ahead with its policies of stabilizing the prices of both lands and housing and managing the home buyers’ expectations. This has culminated in steady, healthy development of the property market. Performance indicators have pointed to stable performance of the real estate sector, with robust growth in property sales. There is still a long way to go for China’s urbanization, which presents both opportunities and challenges for the property sector. Country Garden must do our best to enhance the Company’s overall competitiveness throughout property projects’ life cycle while maintaining a prudent approach to the business operation. Wherever there is demand for our quality products, we will keep building quality housing painstakingly there for centuries to come. We firmly believe that only the most competitive companies can fully seize the opportunities wherever they arise.

For the six months ended 30 June 2021 (the “**Period**”), the Group and its joint ventures and associates together recorded approximately RMB303.09 billion in contracted sales attributable to the shareholders of the Company with cash collection ratio of 90%. When it comes to make decision about investment, the Company firmly applies its criteria for assessing what property projects are worth investing in and pursues unwaveringly its strategy of actively furthering the development of the property markets of the urban areas in cities of various tiers so that it has a balanced geographical market coverage nationwide. The Group had gained footholds in 296 municipal administrative regions² and 1408 counties/townships in 31 provinces/autonomous regions/municipalities in mainland China. During the Period, the Group and its joint ventures and associates together acquired new lands for a total attributable cost of RMB88.43 billion, with 82% of the lands acquired in the five biggest metropolitan areas in mainland China. The premium land bank will be able to reinforce the Company’s steady performance in its future financial results. During the Period, the Group recorded revenue of approximately RMB234.93 billion, net profit of approximately RMB22.42 billion and approximately RMB15.22 billion in core net profit attributable to the owners of the Company.

² municipal administrative region includes prefecture-level cities, prefectures, autonomous prefectures, leagues, provincial-controlled divisions.

The Company continued with its prudent approach to financial management and this practice has earned recognition and support from credit rating agencies and major financial institutions. As at 30 June 2021, the Group had available cash³ of approximately RMB186.24 billion, which indicated abundant working capital; its total debt decreased to approximately RMB324.24 billion, with its net gearing ratio down by 5.9 percentage points to 49.7% compared with that at the end of last year while its average borrowing cost decreased by 17 basis points to 5.39%. We firmly believe that a sound and healthy financial position gives the best support to the Company in its effort to cope with the volatile market environment. Due to its confidence about the Company's prospect and its recognition of the enterprise value, the controlling shareholder increased its holding in the Company on 26 trading days during the Period, by a total of approximately 310 million shares of the Company, which accounted for approximately 1.4% of the total issued share capital, at the average cost of approximately HK\$9.68 per share.

Technology is an inexorable driving force behind social advancement. This is the opportune era for the Company to start hi-tech businesses. Country Garden has devoted itself to the robotics business and added impetus to agricultural modernization and rural revitalization. It will also foster the development of all its new businesses scientifically.

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

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

Agriculture is the foundation of a country and its structure has been undergoing unprecedented changes with the advent of the rapid technological development. In the first half of the year, Country Garden Agricultural Holding Co., Ltd. signed a contract with the Model Base of Modern Urban Agriculture in the Guangdong-Hong Kong-Macao Greater Bay Area to build a large-scale unmanned farm that encompasses tillage, planting, management, harvesting and logistics in the whole value chain of agriculture by conducting research and development on such technologies as molecular breeding, intelligent agricultural machinery, unmanned driving system and digital agricultural applications.

³ It represents the sum of cash and cash equivalents and restricted cash.

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

Country Garden has already issued its sustainability report for 12 consecutive years, with comprehensive and objective coverage of its vision, strategies and sustainable business practices. The report serves as a window on the way the Company fulfils and advocates social responsibility. We will remain firmly committed to making Country Garden a conscientious and socially responsible company that serves as a model for the industry.

Capitalize on the era! Seize the day!

Keep it up!

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	Unaudited 30 June 2021 RMB million	Audited 31 December 2020 RMB million
Non-current assets			
Property, plant and equipment		26,624	26,345
Investment properties		15,147	15,659
Intangible assets		1,408	1,423
Right-of-use assets		4,956	4,858
Properties under development		75,719	106,696
Investments in joint ventures		46,684	41,011
Investments in associates		21,923	22,430
Financial assets at fair value through other comprehensive income		3,775	3,985
Derivative financial instruments		18	812
Trade and other receivables	3	14,700	13,968
Deferred income tax assets		39,941	36,466
		<hr/> 250,895 <hr/>	<hr/> 273,653 <hr/>
Current assets			
Properties under development		1,055,306	1,034,664
Completed properties held for sale		60,762	49,587
Inventories		9,566	10,907
Trade and other receivables	3	391,410	410,937
Contract assets and contract acquisition costs		23,153	21,960
Prepaid income tax		24,785	23,781
Restricted cash		18,317	16,470
Cash and cash equivalents		167,921	167,153
Financial assets at fair value through profit or loss		15,232	6,596
Derivative financial instruments		116	101
		<hr/> 1,766,568 <hr/>	<hr/> 1,742,156 <hr/>

	<i>Note</i>	Unaudited 30 June 2021 RMB million	Audited 31 December 2020 RMB million
Current liabilities			
Contract liabilities		724,271	695,614
Trade and other payables	4	619,047	660,293
Current income tax liabilities		32,539	39,519
Senior notes	5	3,941	2,219
Corporate bonds	6	18,022	25,784
Convertible bonds		19	20
Bank and other borrowings		64,839	68,218
Lease liabilities		214	208
Derivative financial instruments		1,237	1,084
Dividend payable		5,508	–
		<u>1,469,637</u>	<u>1,492,959</u>
Net current assets		<u>296,931</u>	<u>249,197</u>
Total assets less current liabilities		<u><u>547,826</u></u>	<u><u>522,850</u></u>
Non-current liabilities			
Senior notes	5	71,017	71,191
Corporate bonds	6	19,892	14,696
Convertible bonds		5,350	5,252
Bank and other borrowings		141,155	139,105
Lease liabilities		504	447
Deferred government grants		238	152
Deferred income tax liabilities		30,406	32,472
Derivative financial instruments		1,588	2,532
		<u>270,150</u>	<u>265,847</u>
Equity attributable to owners of the Company			
Share capital and premium	7	31,611	31,495
Other reserves		15,667	17,457
Retained earnings		137,203	126,150
		<u>184,481</u>	<u>175,102</u>
Non-controlling interests		<u>93,195</u>	<u>81,901</u>
Total equity		<u>277,676</u>	<u>257,003</u>
Total equity and non-current liabilities		<u><u>547,826</u></u>	<u><u>522,850</u></u>

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June	
		2021 RMB million	2020 RMB million
Revenue	2	234,930	184,957
Cost of sales		(188,646)	(140,070)
Gross profit		46,284	44,887
Other income and gains — net	8	1,739	1,880
(Losses)/gains arising from changes in fair value of and transfers to investment properties		(48)	3
Selling and marketing costs		(7,700)	(6,894)
Administrative expenses		(6,213)	(6,574)
Research and development expenses		(1,291)	(1,030)
Net impairment losses on financial and contract assets		(551)	(854)
Operating profit		32,220	31,418
Finance income	9	2,181	2,508
Finance costs	9	(278)	(622)
Finance income — net	9	1,903	1,886
Share of results of joint ventures and associates		3,122	2,583
Profit before income tax		37,245	35,887
Income tax expenses	10	(14,825)	(13,961)
Profit for the period		22,420	21,926
Profit attributable to:			
— Owners of the Company		14,996	14,132
— Non-controlling interests		7,424	7,794
		22,420	21,926
Earnings per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	12	0.69	0.66
Diluted	12	0.68	0.63
Dividends			
Interim dividend	11	4,717	4,528

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB million</i>	<i>RMB million</i>
Profit for the period	22,420	21,926
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
— Changes in fair value of financial assets at fair value through other comprehensive income	372	(289)
— Revaluation gains on investment properties upon transfers from right-of-use assets	27	—
Items that may be reclassified to profit or loss:		
— Deferred gains/(losses) on cash flow hedges	4	(240)
— Deferred (costs)/gains of hedging	(53)	217
— Currency translation differences	(416)	112
Total other comprehensive loss for the period, net of tax	(66)	(200)
Total comprehensive income for the period	22,354	21,726
Total comprehensive income attributable to:		
— Owners of the Company	14,926	13,852
— Non-controlling interests	7,428	7,874
	22,354	21,726

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Change in accounting policies and disclosures

The accounting policies applied are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2020 as described therein, except for the estimation of income tax and the adoption of new and amended standards.

Amendments to existing standards that are effective for the financial year beginning on 1 January 2021 and adopted by the Group for this period either do not have a material impact or are not relevant to the Group.

Except for Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, 'Interest rate benchmark reform — phase 2', which become effective this period, new and revised standards and amendments to existing standards that have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted:

		Effective for the financial year beginning on or after
Amendments to HKFRS 16	COVID-19 — related rent concessions beyond June 30 2021	1 April 2021
Amendments to HKAS 16	Property, plant and equipment — proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to the conceptual framework	1 January 2022
Annual Improvements	Annual improvements to HKFRS Standards 2018–2020 cycle	1 January 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of financial statements — classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

2. Revenue and segment information

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

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

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

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

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

Revenue consists of the following:

	Six months ended 30 June	
	2021	2020
	<i>RMB million</i>	<i>RMB million</i>
Sales of properties	227,899	179,949
Rendering of construction services	4,130	3,219
Rental income	374	221
Others	2,527	1,568
	<u>234,930</u>	<u>184,957</u>

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

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

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

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

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

	Property development <i>RMB million</i>	Construction <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Six months ended 30 June 2020				
Revenue from contracts with customers	179,949	19,442	9,547	208,938
— Recognised at a point in time	135,331	—	9,096	144,427
— Recognised over time	44,618	19,442	451	64,511
Revenue from other sources: rental income	—	—	232	232
Segment revenue	179,949	19,442	9,779	209,170
Inter-segment revenue	—	(16,223)	(7,990)	(24,213)
Revenue from external customers	179,949	3,219	1,789	184,957
Share of results of joint ventures and associates	2,616	—	(33)	2,583
Gains arising from changes in fair value of and transfers to investment properties	—	—	3	3
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	169	49	620	838
Net impairment losses on financial and contract assets	787	17	50	854
Segment results	34,870	110	(1,102)	33,878
At 31 December 2020				
Total segment assets after elimination of inter-segment balances	1,828,224	32,884	117,322	1,978,430
Investments in joint ventures and associates	63,244	—	197	63,441
Capital expenditure	994	290	3,883	5,167
Total segment liabilities after elimination of inter-segment balances	1,241,088	31,988	83,638	1,356,714

3. Trade and other receivables

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

(a) Details of trade receivables are as follows:

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

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

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

As at 30 June 2021 and 31 December 2020, trade receivables were mainly denominated in RMB.

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

(b) Details of other receivables are as follows:

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

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

(c) Prepayments for land are related to prepaid land acquisition costs while relevant land use right certificates have not been obtained as at 30 June 2021.

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

4. Trade and other payables

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

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

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

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

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

5. Senior notes

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

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

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

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

6. Corporate bonds

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

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

Name of bonds	Par value <i>RMB million</i>	Interest rate	Issue date	Term of the bonds
RMB corporate bonds of Guangdong Giant Leap Construction Co., Ltd. (“ Giant Leap ”) issued in 2021 — tranche I	2,000	4.27%	8 January 2021	4 years
RMB medium-term notes of Giant Leap issued in 2021 — tranche I	1,000	4.70%	6 May 2021	4 years
RMB corporate bonds of Country Garden Real Estate Group Co., Ltd. (“ Country Garden Property ”) issued in 2021 — tranche I	2,000	4.80%	12 March 2021	5 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche II	1,100	4.80%	15 June 2021	5 years
RM private corporate bonds of Country Garden Real Estate Sdn. Bhd. (“ Malaysia Country Garden ”) issued in 2021 — tranche VIII	158	3.75%	5 April 2021	1 year
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche IX	79	4.90%	4 May 2021	5 years
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche VI	160	3.75%	4 March 2021	1 year

7. Share capital and premium

	Number of ordinary shares million	Nominal value of ordinary shares HKD million	Equivalent nominal value of ordinary shares RMB million	Share premium RMB million	Total RMB million	Treasury shares RMB million	Group total RMB million
Authorised							
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021, HKD0.10 per share	<u>100,000</u>	<u>10,000</u>					
Issued and fully paid							
At 1 January 2020	21,845	2,184	2,050	30,053	32,103	(2,352)	29,751
Exercise of employee share schemes	<u>28</u>	<u>3</u>	<u>2</u>	<u>217</u>	<u>219</u>	<u>43</u>	<u>262</u>
At 30 June 2020	<u>21,873</u>	<u>2,187</u>	<u>2,052</u>	<u>30,270</u>	<u>32,322</u>	<u>(2,309)</u>	<u>30,013</u>
At 1 January 2021	22,035	2,203	2,067	31,687	33,754	(2,259)	31,495
Exercise of employee share schemes	<u>13</u>	<u>1</u>	<u>1</u>	<u>63</u>	<u>64</u>	<u>52</u>	<u>116</u>
At 30 June 2021	<u>22,048</u>	<u>2,204</u>	<u>2,068</u>	<u>31,750</u>	<u>33,818</u>	<u>(2,207)</u>	<u>31,611</u>

8. Other income and gains — net

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

9. Finance income — net

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

10. Income tax expenses

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

11. Dividends

On 24 August 2021, the Board declared an interim dividend of RMB20.98 cents per share for the six months ended 30 June 2021, totalling RMB4,717 million (2020 interim dividend: RMB20.55 cents per share, totalling RMB4,528 million) with the eligible shareholders being given an option to elect to receive such interim dividend all in new shares of the Company, or partly in new shares of the Company and partly in cash, or all in cash. This interim dividend has not been recognised as liabilities in this interim financial information.

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

12. Earnings per share

(a) Basic

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

	Six months ended 30 June	
	2021	2020
Profit attributable to owners of the Company (RMB million)	14,996	14,132
Weighted average number of ordinary shares in issue (million)	21,763	21,569
Earnings per share — Basic (RMB yuan per share)	0.69	0.66

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had four categories of dilutive potential ordinary shares: share options, awarded shares, written call options and convertible bonds. For the share options, awarded shares and written call options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options, awarded shares and written call options. The convertible bonds are assumed to have been converted into ordinary shares. Interest savings on convertible bonds are adjusted to the extent of the amount charged to the profit attributable to owners of the Company, if applicable. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options, awarded shares and written call options and conversion of convertible bonds. Written call options were excluded from the computation of diluted earnings per share as they are anti-dilutive for six months ended 30 June 2021.

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Construction. Revenue of the Group increased by 27.0% to approximately RMB234,930 million in the first half of 2021 from approximately RMB184,957 million for the corresponding period in 2020. 97.0% of the Group's revenue was generated from the sales of properties (corresponding period in 2020: 97.3%), and 3.0% from Construction and Others segments (corresponding period in 2020: 2.7%).

Property Development

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

Construction

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

Others

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

Selling and marketing costs and Administrative expenses

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

Finance Income — Net

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

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

Profit and Core Net Profit Attributable to Owners of the Company

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

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

Liquidity, Financial and Capital Resources

Cash Position

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

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

Debt Composition

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

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

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

Net Gearing Ratio

Net gearing ratio is measured by the net debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds, net of available cash, which equals to the sum of cash and cash equivalents and restricted cash) over total equity. The Group's net gearing ratio decreased from approximately 55.6% as at 31 December 2020 to approximately 49.7% as at 30 June 2021.

Key Risk Factors and Uncertainties

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

Risks Pertaining to the Property Market and Operation

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

Interest Rate Risk

The Group's bank and other borrowings mainly bear floating rates. As at 30 June 2021, the weighted average borrowing cost of the Group's total debt was 5.39%, decreased by 17 basis points as compared with that as at 31 December 2020. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements, refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

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

Guarantees

As at 30 June 2021, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB393,847 million (31 December 2020: approximately RMB381,302 million).

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

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

In addition, as at 30 June 2021, the Group had provided guarantees amounting to approximately RMB60,296 million (31 December 2020: approximately RMB64,603 million) for certain liabilities of the joint ventures, associates and other related parties of the Group.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 30 June 2021, the Group had approximately 93,472 full-time employees.

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

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

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

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

Forward Looking

In the long run, it is expected that the government will continue to implement a long-term mechanism for real estate market for its steady and healthy development, adhering to the general principle of "houses are for living not for speculation" and the control target of "stabilizing land prices, housing prices and expectation". There is still a long way to go for China's urbanization, which still presents both opportunities and challenges for the property sector.

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

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

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2021. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2021 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

During the six months ended 30 June 2021, the Company has applied the principles and has complied with the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), save and except for the code provision E.1.2 of the CG Code as the Chairman of the Board (who was also the chairman of the Nomination

Committee, Corporate Governance Committee, Environmental, Social and Governance Committee and Executive Committee of the Company) was unable to attend the annual general meeting of the Company held on 24 May 2021 due to the travel restrictions then in place as a result of the COVID-19 pandemic.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the six months ended 30 June 2021. No incident of non-compliance was noted by the Company to date in 2021. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEME

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

During the six months ended 30 June 2021, share options for 20,199,633 Shares with a fair value on the grant date of approximately RMB163 million were granted to eligible persons in accordance with the terms of the Share Option Scheme.

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of the employee incentive scheme (the “**Employee Incentive Scheme**”) for rewarding the contribution of the senior management and employees of the Group which excludes any connected persons of the Company, together with the scheme rules, were approved by the Board. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance their performance and efficiency. The trustee of the Employee Incentive Scheme is Power Great Enterprises Limited (“**Power Great**”), a wholly-owned subsidiary of the Company.

During the six months ended 30 June 2021, Power Great had not purchased any Share from the market, and had not acquired any Share by any other way in accordance with the Employee Incentive Scheme. During the six months ended 30 June 2021, share awards for 27,117,653 Shares were granted under the Employee Incentive Scheme subject to completion of the registration and transfer procedures pursuant to the terms of the Employee Incentive Scheme. As at 30 June 2021, the total number of Shares in relation to share awards that were granted under the Employee

Incentive Scheme was 183,196,539 Shares (being the net number after deduction of the exercised and lapsed share awards). As at 30 June 2021, the cumulative total number of Shares held by Power Great under the Employee Incentive Scheme was 275,183,928 Shares (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2020: 281,926,904 Shares).

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

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

On 21 November 2018, the Company, Smart Insight International Limited (the “**Issuer**”, a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the “**Joint Lead Managers**”) entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the “**2023 Convertible Bonds**”). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited. As at the date of this announcement, the 2023 Convertible Bonds may be converted into Shares at the latest modified conversion price of HKD10.80 per Share during the conversion period under the terms of the 2023 Convertible Bonds.

On 21 November 2018, the Issuer entered into call option transaction(s) involving the sale of call option(s) by the Issuer to J.P. Morgan Securities plc and Goldman Sachs International or their respective affiliates with the initial strike price of HKD17.908 (the “**Written Call Option(s)**”). As at the date of this announcement, the strike price of the Written Call Options had been adjusted to the latest modified strike price of HKD15.36 per Written Call Option and its total number had been adjusted to 696,666,627 Written Call Options. The Written Call Options are exercisable only on their expiration dates ranging from 14 September 2023 to 24 November 2023. The maximum number of Shares that may be issued upon physical settlement of the Written Call Options is 696,666,627 Shares as at the date of this announcement.

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

Please refer to the announcements of the Company dated 21 November 2018, 22 November 2018, 12 December 2018, 24 May 2019, 3 June 2019, 12 September 2019, 1 June 2020, 15 September 2020 and 2 June 2021, and the circular of the Company dated 11 April 2019 for further details.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of the Shares during the six months ended 30 June 2021. For details of purchase, sale or redemption by the Company or any of its subsidiaries of its other listed securities during the six months ended

30 June 2021, please refer to notes 5 and 6 to the “NOTES TO THE INTERIM FINANCIAL INFORMATION” in this announcement.

INTERIM DIVIDEND

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

The Interim Dividend was declared in RMB and shall be distributed in Hong Kong dollars. The Interim Dividend to be distributed in Hong Kong dollars will be converted from RMB at the average central parity rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from Tuesday, 7 September 2021 to Monday, 13 September 2021.

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

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

CLOSURE OF REGISTERS OF MEMBERS

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

Ex-dividend date	Tuesday, 14 September 2021
Latest time to lodge transfer documents for registration with the Company’s branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Wednesday, 15 September 2021
Closure of Registers of Members	Thursday, 16 September 2021 to Monday, 20 September 2021 (both days inclusive)
Record Date	Monday, 20 September 2021

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

PUBLICATION OF INTERIM RESULTS

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

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

Foshan, Guangdong Province, the PRC, 24 August 2021

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