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 2022

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2022, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB185.10 billion, contracted sales GFA attributable to the shareholders of the Company of approximately 23.48 million sq.m., with a cash collection ratio of 92%.

- During the period, the Group recorded total revenue of approximately RMB162.36 billion, gross profit of approximately RMB17.21 billion, net profit of approximately RMB1.91 billion and the core net profit attributable to the owners of the Company[1] of approximately RMB4.91 billion.

- During the period, the Group's selling and marketing costs and administrative expenses amounted to approximately RMB8.86 billion, representing a year-on-year decrease of 36.3%.

- As at 30 June 2022, the Group's total debt amounted to approximately RMB293.68 billion, representing a decrease of 7.6% compared with that at the end of last year, with a net gearing ratio of 48.1%.

[1] The core net profit 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 2022.

BUSINESS REVIEW AND OUTLOOK

In 2022, the property sector faced myriad challenges, including the market's weakening expectations, sluggish demand and a fall in property prices. All these exert mounting pressure on all participants in the property market, which has slid rapidly into severe depression. The harsh business environment in which only the fittest can survive means even higher requirements for businesses' competitive strength.

Nevertheless, there are often hopes in crises. China's economy has proven resilient and its strong fundamentals for long-term development remain intact. The country's new type of urbanization still has a long way to go and the desire for a good life will always remain dear to people's hearts. The real estate industry will always exist. Competitive, high-performing companies can carve out a niche in the market. Even when the market is in the doldrums, the Company sticks to its strategy, keeps enhancing its overall competitiveness throughout property projects' life cycle, determines output scientifically according to sales performance, takes an all-out effort to ensure safety, quality and punctuality when delivering every finished flat to the home buyers, and repay every debt on time. In the first half of the year, the Company delivered 250,000 flats[2] in 1,070 batches on time, with home buyers receiving ownership certificates upon the delivery of flats at 165 property projects. All these show the Company's commitment to social responsibility and its effort on restoring confidence in the property sector.

For the six months ended 30 June 2022 (the "**Period**"), the Group and its joint ventures and associates together recorded approximately RMB185.10 billion in contracted sales attributable to the shareholders of the Company. Cash collected from property sales attributable to the shareholders of the Company was approximately RMB170.29 billion with a cash collection ratio higher than 90% for seven consecutive years. During the Period, the Group recorded revenue of approximately RMB162.36 billion, net profit of approximately RMB1.91 billion and approximately RMB4.91 billion in core net profit attributable to the owners of the Company.

For the six months ended 30 June 2022, the Group had entered contracts to acquire or had already acquired a total of 3,179 property projects in mainland China. It had footholds in 298 municipal administrative regions[3] and 1,412 counties/townships in 31 provinces/autonomous regions/municipalities with saleable resources totaling approximately RMB1,216.1 billion. When it comes to making decision about investment,

---

[2] The data includes projects which belong to the Group together with its joint ventures and associates.

[3] Municipal administrative region includes prefecture-level cities, prefectures, autonomous prefectures, leagues, provincial-controlled divisions.

the Company strictly adheres to its investment criteria. It only chooses the best of the best regarding the acquisition of property projects and acquires lands prudently and opportunely. It was building up its presence in cities where the property markets enjoy a higher degree of certainty. In the first half of the year, the Company acquired lands at a lower premium in Foshan, Zhangjiakou and Lanzhou and a total of 9 property projects at a total attributable cost of RMB6.1 billion. In the future, we will continue to focus on core geographical areas and build up our business presence in cities with good relationship between supply and demand. We will acquire quality lands to build a premium land bank that provides strong support to steady growth in the Company's future financial results.

Year to date, forces beyond our control such as resurgence of the pandemic in various parts of mainland China and extreme weather, coupled with the downturn in the property sector, weighed on the Company's profitability indicators. Nevertheless, the Company still made steady progress towards long-term success and maintained a healthy financial position. As at 30 June 2022, the Group had available cash[4] of RMB147.98 billion; total interest-bearing debts decreased to RMB293.68 billion; net gearing ratio was 48.1%, which has remained low under the level of 60% for many years. The Company recorded net operating cash flow of RMB5.25 billion on the back of its good financial discipline and did not have any offshore senior note due within the year currently. We firmly believe that a good financial position gives the best support to the Company's effort to surmount the ups and downs in economic and industry cycles.

It is encouraging to see Guangdong Bright Dream Robotics Co., Ltd. ("**Bright Dream Robotics**"), founded to build houses with robotics, reap rewards from its four years of hard work. The system of technology-enabled construction has many advantages as it makes construction works safe, environmentally friendly, good in quality, faster, and more efficient. It enables the Company to undertake its own projects internally and, at the same time, to expand the external market for its construction service, thus opening up a huge market for the Company. As at the end of July 2022, 30 types of construction robots which were applied throughout the cycle of smart construction procedure had been deployed. A cumulative total of over 1,200 units of such construction robots have been delivered and applied to more than 550 construction projects in 28 provinces/autonomous regions/municipalities, and have completed a cumulative total of over 10 million sq.m. of floor area under construction. Bright Dream Robotics has now become the leader in smart construction in China after it has developed, produced and applied construction robots and other products that enables both digitalization through building information modeling (BIM) and the industrialization of new types of construction technology. The Company's robotic technology has been rated as internationally advanced in six aspects and has over 2,000 licensed patents, including nearly 1,000 patents of invention.

---

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

To integrate its resources better and increase the effort to promote the system of technology-enabled construction, we have consolidated a number of construction works units within the Group into a technology-enabled construction group. Such a group systematically provides a technology-enabled construction solution that encompasses BIM, smart construction equipment such as construction robots, prefabricated construction components and a new type of carbon fibre reinforced polymer (CFRP) plates. It also actively expands the businesses of undertaking construction works as an engineering, procurement and construction (EPC) contractor, a general contractor, a labor subcontractor and the business of undertaking property development and management projects for other parties. This enables the Group to provide high-quality products for construction and high value-added construction services. It is believed that the technology-enabled construction group will thrive, bringing good financial results to the Group and that the system of technology-enabled construction will enhance the competitiveness of the Group's mainstay business of property development.

In the business of modern agriculture, a dozen types of the Company's unmanned agricultural machines underwent trial runs successively throughout the entire procedure of agricultural production that encompassed tillage, planting, management and harvesting. While maintains good investment discipline, the Company strives to raise both the agricultural production efficiency and grain output by means of "smart farm" as a new business model and a new type of operation to help China and the rest of the world maintain food security. Meanwhile, the Group keeps on consolidating its achievement in poverty alleviation and remains committed to such a worthwhile work as rural revitalization, thereby proactively fulfilling its social responsibility as a corporate citizen.

The Central Government is stepping up its effort to pursue the strategy of attaining carbon emission peak and carbon neutrality. Accordingly, Country Garden pushes forward with sustainability practices throughout the value chain of its business. It explores ceaselessly the ways to realize environment-friendly and sustainable development through green development, intelligentization and digitalization. Specifically, it steps up the research and development of green construction, improves measures to ensure health and safety at construction works and refines its system for risk management and control, thereby contributing to the attainment of the dual goals of carbon emission peak and carbon neutrality.

We will persevere and remain hopeful despite adversity. Country Garden keeps its feet on the ground as it works hard to get through a harsh winter and anticipates the arrival of spring.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2022 RMB million	Audited 31 December 2021 RMB million
Non-current assets			
Property, plant and equipment		**26,034**	27,099
Investment properties		**14,779**	16,302
Intangible assets		**1,393**	1,370
Right-of-use assets		**4,995**	4,985
Properties under development		**33,291**	48,146
Investments in joint ventures		**48,473**	49,664
Investments in associates		**21,999**	23,177
Financial assets at fair value through other comprehensive income		**10,342**	9,894
Derivative financial instruments		**48**	320
Trade and other receivables	*3*	**13,013**	13,414
Deferred income tax assets		**40,896**	40,057
		215,263	234,428
Current assets			
Properties under development		**1,003,589**	1,008,146
Completed properties held for sale		**53,112**	46,354
Inventories		**9,239**	9,689
Trade and other receivables	*3*	**394,850**	406,798
Contract assets and contract acquisition costs		**23,560**	23,602
Prepaid income tax		**32,758**	23,823
Restricted cash		**24,493**	34,346
Cash and cash equivalents	*4*	**123,483**	146,954
Financial assets at fair value through profit or loss		**11,120**	14,207
Derivative financial instruments		**12**	18
		1,676,216	1,713,937

	Note	Unaudited 30 June 2022 RMB million	Audited 31 December 2021 RMB million
Current liabilities			
Contract liabilities		**731,922**	709,255
Trade and other payables	*5*	**498,020**	550,591
Current income tax liabilities		**33,654**	39,160
Senior notes	*6*	**6,977**	8,283
Corporate bonds	*7*	**12,825**	6,345
Convertible bonds	*8*	**78**	8
Bank and other borrowings		**52,973**	64,382
Lease liabilities		**106**	186
Derivative financial instruments		**161**	695
Dividend payable		**2,343**	–
		1,339,059	1,378,905
Net current assets		**337,157**	335,032
Total assets less current liabilities		**552,420**	569,460
Non-current liabilities			
Senior notes	*6*	**66,109**	66,786
Corporate bonds	*7*	**21,130**	27,815
Convertible bonds	*8*	**5,358**	2,160
Bank and other borrowings		**128,227**	142,143
Lease liabilities		**492**	506
Deferred government grants		**168**	216
Deferred income tax liabilities		**27,316**	28,123
Derivative financial instruments		**604**	1,084
		249,404	268,833
Equity attributable to owners of the Company			
Share capital and premium	*9*	**38,852**	38,787
Other reserves		**22,378**	22,691
Retained earnings		**136,232**	137,258
		197,462	198,736
Non-controlling interests		**105,554**	101,891
Total equity		**303,016**	300,627
Total equity and non-current liabilities		**552,420**	569,460

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Unaudited Six months ended 30 June 2022** *RMB million*	2021 *RMB million*
Revenue	*2*	**162,363**	234,930
Cost of sales		**(145,153)**	(188,646)
Gross profit		**17,210**	46,284
Other income and gains – net	*10*	**66**	1,739
Losses arising from changes in fair value of and transfers to investment properties		**(96)**	(48)
Selling and marketing costs		**(4,575)**	(7,700)
Administrative expenses		**(4,285)**	(6,213)
Research and development expenses		**(974)**	(1,291)
Net impairment losses on financial and contract assets		**(302)**	(551)
Operating profit		**7,044**	32,220
Finance income	*11*	**941**	2,181
Finance costs	*11*	**(4,482)**	(278)
Finance (costs)/income – net	*11*	**(3,541)**	1,903
Share of results of joint ventures and associates		**1,855**	3,122
Profit before income tax		**5,358**	37,245
Income tax expenses	*12*	**(3,451)**	(14,825)
Profit for the period		**1,907**	22,420
Profit attributable to:			
– Owners of the Company		**612**	14,996
– Non-controlling interests		**1,295**	7,424
		1,907	22,420
Earnings per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	*14*	**0.03**	0.69
Diluted	*14*	**0.03**	0.68
Dividends			
Interim dividend	*13*	**–**	4,716

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB million	*RMB million*
Profit for the period	**1,907**	22,420
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	**394**	372
– Revaluation gains on investment properties upon transfers from right-of-use assets	**–**	27
Items that may be reclassified to profit or loss:		
– Deferred gains on cash flow hedges	**7**	4
– Deferred costs of hedging	**(684)**	(53)
– Currency translation differences	**280**	(416)
Total other comprehensive loss for the period, net of tax	**(3)**	(66)
Total comprehensive income for the period	**1,904**	22,354
Total comprehensive income attributable to:		
– Owners of the Company	**610**	14,926
– Non-controlling interests	**1,294**	7,428
	1,904	22,354

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied are consistent with those of the 2021 Financial Statements as described therein, except for the estimation of income tax and the adoption of amended standards.

Amendments to existing standards that are effective for the financial year beginning on 1 January 2022 and adopted by the Group for this period either do not have a material impact or are not relevant to the Group.

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 2022 and have not been early adopted:

		Effective for the financial year beginning on or after
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	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 and amendments to 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 includes property investment, hotel operation, smart construction 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 mainly 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	
	2022	2021
	RMB million	*RMB million*
Sales of properties	**156,373**	227,899
Rendering of construction services	**3,336**	4,130
Rental income	**425**	374
Others	**2,229**	2,527
	162,363	234,930

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 *RMB million*	Construction *RMB million*	Others *RMB million*	Total *RMB million*
Six months ended 30 June 2022				
Revenue from contracts with customers	**156,373**	**18,899**	**11,275**	**186,547**
– Recognised at a point in time	**125,516**	**–**	**10,446**	**135,962**
– Recognised over time	**30,857**	**18,899**	**829**	**50,585**
Revenue from other source: rental income	**–**	**–**	**425**	**425**
Segment revenue	**156,373**	**18,899**	**11,700**	**186,972**
Inter-segment revenue	**–**	**(15,563)**	**(9,046)**	**(24,609)**
Revenue from external customers	**156,373**	**3,336**	**2,654**	**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**	**27**	**810**	**1,203**
Net impairment losses on financial and contract assets	**278**	**5**	**19**	**302**
Segment results	**9,634**	**110**	**(939)**	**8,805**
At 30 June 2022				
Total segment assets after elimination of inter-segment balances	**1,704,200**	**30,592**	**115,731**	**1,850,523**
Investments in joint ventures and associates	**69,479**	**–**	**993**	**70,472**
Capital expenditure	**242**	**43**	**672**	**957**
Total segment liabilities after elimination of inter-segment balances	**1,123,586**	**29,246**	**77,876**	**1,230,708**

	Property development RMB million	Construction RMB million	Others RMB million	Total RMB million
Six months ended 30 June 2021				
Revenue from contracts with customers	227,899	25,950	11,279	265,128
– Recognised at a point in time	183,714	–	10,408	194,122
– Recognised over time	44,185	25,950	871	71,006
Revenue from other source: rental income	–	–	374	374
Segment revenue	227,899	25,950	11,653	265,502
Inter-segment revenue	–	(21,820)	(8,752)	(30,572)
Revenue from external customers	227,899	4,130	2,901	234,930
Share of results of joint ventures and associates	3,141	–	(19)	3,122
Losses arising from changes in fair value of and transfers to investment properties	–	–	(48)	(48)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	297	20	926	1,243
Net impairment losses on financial and contract assets	508	9	34	551
Segment results	35,478	237	(347)	35,368
At 31 December 2021				
Total segment assets after elimination of inter-segment balances	1,758,089	31,271	118,610	1,907,970
Investments in joint ventures and associates	71,170	–	1,671	72,841
Capital expenditure	536	102	4,324	4,962
Total segment liabilities after elimination of inter-segment balances	1,151,286	29,857	79,611	1,260,754

3 TRADE AND OTHER RECEIVABLES

	30 June 2022 RMB million	31 December 2021 RMB million
Included in current assets		
– Trade receivables – net *(note (a))*	**33,766**	35,984
– Other receivables – net *(note (b))*	**308,083**	297,246
– Prepayments for land *(note (c))*	**19,385**	36,131
– Other prepayments *(note (d))*	**33,616**	37,437
	394,850	406,798
Included in non-current assets		
– Deposits for acquisitions of companies *(note (e))*	**13,013**	13,414
	407,863	420,212

(a) Details of trade receivables are as follows:

	30 June 2022 RMB million	31 December 2021 RMB million
Trade receivables	**34,039**	36,212
Less: allowance for impairment	**(273)**	(228)
Trade receivables – net	**33,766**	35,984

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 2022 RMB million	31 December 2021 RMB million
Within 90 days	**27,750**	30,395
Over 90 days and within 180 days	**3,074**	2,657
Over 180 days and within 365 days	**2,640**	2,554
Over 365 days	**575**	606
	34,039	36,212

As at 30 June 2022 and 31 December 2021, 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 2022	31 December 2021
	RMB million	*RMB million*
Amounts due from joint ventures, associates and other related parties	**116,362**	119,356
Land auction and other deposits	**13,225**	14,407
Others (i)	**185,180**	169,910
	314,767	303,673
Less: allowance for impairment	**(6,684)**	(6,427)
Other receivables – net	**308,083**	297,246

(i) 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 2022.

(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.

4 CASH AND CASH EQUIVALENTS

As at 30 June 2022, other than the unreleased guarantee deposits for construction of pre-sale properties included in restricted cash, the balance of the remaining guarantee deposits for construction of pre-sale properties of approximately RMB46,215 million was included in cash and cash equivalents (31 December 2021: RMB55,145 million).

5 TRADE AND OTHER PAYABLES

	30 June 2022	31 December 2021
	RMB million	*RMB million*
Trade payables *(note (a))*	**247,434**	285,122
Other payables *(note (b))*	**188,314**	206,711
Other taxes payable *(note (c))*	**55,538**	49,760
Salaries payable	**6,734**	8,998
	498,020	550,591

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

	30 June 2022 *RMB million*	31 December 2021 *RMB million*
Within 365 days	**244,183**	280,940
Over 365 days	**3,251**	4,182
	247,434	285,122

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

(c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB72,039 million (31 December 2021: RMB69,163 million), value-added taxes payable and other taxes.

6 SENIOR NOTES

	Six months ended 30 June	
	2022 *RMB million*	2021 *RMB million*
At 1 January	**75,069**	73,410
Additions	**–**	10,970
Repurchase/early redemption *(note (a))*	**(3,132)**	(7,657)
Repayment upon maturity *(note (a))*	**(2,604)**	(950)
Interest expenses	**1,962**	2,142
Coupon interest paid	**(2,010)**	(2,118)
Exchange differences	**3,801**	(839)
At 30 June	**73,086**	74,958
Less: current portion included in current liabilities	**(6,977)**	(3,941)
Included in non-current liabilities	**66,109**	71,017

(a) During the period, the Group has repaid senior notes 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:				
2022 Notes II	USD411	7.125%	27 September 2018	3.5 years
Repurchased during the period:				
2022 Notes	USD439	4.750%	25 July 2017	5 years
2023 Notes III	USD15	4.750%	17 January 2018	5 years
2026 Notes II	USD5	7.250%	8 April 2019	7 years

7 CORPORATE BONDS

	Six months ended 30 June	
	2022	2021
	RMB million	*RMB million*
At 1 January	**34,160**	40,480
Additions *(note (a))*	**749**	6,476
Repayment	**(1,196)**	(9,265)
Interest expenses	**790**	961
Coupon interest paid	**(543)**	(653)
Exchange differences	**(5)**	(85)
At 30 June	**33,955**	37,914
Less: current portion included in current liabilities	**(12,825)**	(18,022)
Included in non-current liabilities	**21,130**	19,892

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

Name of bonds	Par value *RMB million*	Interest rate	Issue date	Term of the bonds
RMB corporate bonds of Country Garden Property issued in 2022 – tranche I*	500	4.50%	24 May 2022	1 year
RM private corporate bonds of Country Garden Real Estate Sdn. Bhd. ("**Malaysia Country Garden**") issued in 2022 – tranche XII	151	5.00%	18 March 2022	1 year
RM private corporate bonds of Malaysia Country Garden issued in 2022 – tranche XIII	98	5.40%	9 June 2022	1 year

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

8 CONVERTIBLE BONDS

	Six months ended 30 June	
	2022	2021
	RMB million	*RMB million*
Liability component as at 1 January	**2,168**	5,272
Additions *(note (a))*	**2,870**	–
Interest expenses	**221**	297
Coupon interest paid	**(57)**	(139)
Exchange differences	**234**	(61)
Liability component as at 30 June	**5,436**	5,369
Less: current portion included in current liabilities	**(78)**	(19)
Included in non-current liabilities	**5,358**	5,350

(a) On 20 January 2022, the Group entered into a subscription agreement for HKD-settled convertible bonds in an aggregate principal amount of HKD3,900 million (equivalent to approximately RMB3,191 million) due on 28 July 2026 (the "**2026 Convertible Bonds**"), with an initial conversion price of HKD8.1 per share. The conversion price was subsequently modified to HKD7.92 per share as a result of payment of dividend and distribution in specie. On 28 January 2022 (the "**Issue Date**"), the issuance of the convertible bonds was completed. The net proceeds from the issuance of the convertible bonds were approximately RMB3,161 million, net of transaction cost of approximately RMB30 million. The initial value of the liability component of approximately RMB2,870 million and the equity conversion component of approximately RMB291 million were determined at the Issue Date. The liability component is subsequently stated at amortised cost until conversion or maturity of the bond. The residual amount, representing the value of the equity conversion component, is accounted for as a conversion option reserve included in other reserves.

The 2026 Convertible Bonds recognised are calculated as follows:

	RMB million
Face value of the convertible bonds on the Issue Date	**3,191**
Transaction costs	**(30)**
Net proceeds	**3,161**
Less: equity component	**(291)**
Liability component on initial recognition	**2,870**
Exchange differences	**132**
Interest expenses	**95**
Liability component at 30 June 2022	**3,097**

Up to 30 June 2022, there has been no conversion or redemption of the 2026 convertible bonds.

9 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 2021, 30 June 2021, 1 January 2022 and 30 June 2022, HKD0.10 per share	100,000	10,000					
Issued and fully paid							
At 1 January 2021	22,035	2,203	2,067	31,687	33,754	(2,259)	31,495
Exercise of employee share schemes	13	1	1	63	64	52	116
At 30 June 2021	22,048	2,204	2,068	31,750	33,818	(2,207)	31,611
Issued and fully paid							
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**

10 OTHER INCOME AND GAINS — NET

	Six months ended 30 June **2022** ***RMB million***	2021 *RMB million*
Other income		
– Management and other related service income	**206**	494
– Forfeiture income	**179**	105
– Government subsidy income	**161**	182
	546	781
Other (losses)/gains		
– Gains arising from negative goodwill	**71**	131
– (Losses)/gains on disposals of subsidiaries	**(1,348)**	259
– Losses on disposals of property, plant and equipment	**(55)**	(14)
– Changes in fair value of financial assets at FVTPL	**197**	1,091
– Changes in fair value of derivative financial instruments	**94**	(26)
– Others	**561**	(483)
	(480)	958
Total other income and gains – net	**66**	1,739

11 FINANCE (COSTS)/INCOME — NET

	Six months ended 30 June	
	2022	2021
	RMB million	*RMB million*
Finance income:		
– Interest income on bank deposits and others	**914**	1,350
– Gains on repurchase of senior notes	**27**	–
– Net foreign exchange gains	**–**	831
	941	2,181
Finance costs:		
– Interest expenses for bank borrowings, senior notes, corporate bonds and others	**(8,864)**	(9,791)
– Interest expenses for lease liabilities	**(13)**	(20)
	(8,877)	(9,811)
Less: amounts capitalised on qualifying assets	**8,877**	9,811
	–	–
– Net foreign exchange losses	**(4,482)**	–
– Early redemption costs of senior notes	**–**	(278)
	(4,482)	(278)
Finance (costs)/income – net	**(3,541)**	1,903

12 INCOME TAX EXPENSES

	Six months ended 30 June	
	2022	2021
	RMB million	*RMB million*
Current income tax		
– Corporate income tax	**3,048**	12,865
– Land appreciation tax	**2,373**	7,392
	5,421	20,257
Deferred income tax	**(1,970)**	(5,432)
	3,451	14,825

13 DIVIDENDS

On 30 August 2022, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (2021 interim dividend: RMB20.98 cents per share, totalling RMB4,716 million).

The final dividend in respect of 2021 of RMB10.12 cents (equivalent to HKD11.89 cents) per share, totalling RMB2,343 million approved at the annual general meeting of the Company on 26 May 2022 has been paid partly in new shares of the Company and partly in cash in August 2022.

14 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	
	2022	2021
Profit attributable to owners of the Company *(RMB million)*	**612**	14,996
Weighted average number of ordinary shares in issue *(million)*	**22,862**	21,763
Earnings per share – Basic *(RMB yuan per share)*	**0.03**	0.69

(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, written call options and conversion of convertible bonds. For the six months ended 30 June 2022, the convertible bonds and written call options were excluded from the computation of diluted earnings per share as they are anti-dilutive (For the six months ended 30 June 2021: written call options were excluded from the computation of diluted earnings per share).

	Six months ended 30 June	
	2022	2021
Profit attributable to owners of the Company *(RMB million)*	**612**	14,996
Interest expense on convertible bonds *(RMB million)*	**N/A**	301
Profit attributable to owners of the Company used to determine diluted earnings per share *(RMB million)*	**612**	15,297
Weighted average number of ordinary shares in issue *(million)*	**22,862**	21,763
Adjustments − share options, awarded shares and convertible bonds *(million)*	**27**	725
Weighted average number of ordinary shares for diluted earnings per share *(million)*	**22,889**	22,488
Earnings per share − Diluted *(RMB yuan per share)*	**0.03**	0.68

15 SUBSEQUENT EVENT

On 27 July 2022, the Company issued 870,000,000 new ordinary shares through share placement to independent third parties at HKD3.25 per share for total consideration of HKD2,827.5 million (equivalent to approximately RMB2,442.6 million). All conditions set out in the placing agreement have been fulfilled and that the placing has been completed on 3 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Construction. Revenue of the Group decreased by 30.9% to approximately RMB162,363 million for the first half of ("**1H**") 2022 from approximately RMB234,930 million for the corresponding period in 2021. 96.3% of the Group's revenue was generated from the sales of properties (1H 2021: 97.0%), and 3.7% from Construction and Others segments (1H 2021: 3.0%).

Property Development

Since the continued impact of COVID-19 has caused the slowdown in the progress of GFA delivered, revenue generated from property development decreased by 31.4% to approximately RMB156,373 million for the first half of 2022 from approximately RMB227,899 million for the corresponding period in 2021. The recognised average selling price of property delivered (value-added taxes excluded) was approximately RMB7,458 per sq.m. for the first half of 2022.

Construction

Construction revenue from external parties decreased by 19.2% to approximately RMB3,336 million for the first half of 2022 from approximately RMB4,130 million for the corresponding period in 2021, primarily resulting from the decreased construction volume that impacted by the COVID-19.

Others

Others segment mainly includes property investment, hotel operation, smart construction and modern agriculture businesses. Revenue from external parties of others segment decreased by 8.5% to approximately RMB2,654 million for the six months ended 30 June 2022 from approximately RMB2,901 million for the corresponding period in 2021.

Selling and marketing costs and Administrative expenses

Benefited by the well control of cost and the improvement of organization efficiency, the Group's selling and marketing costs and administrative expenses amounted to approximately RMB8,860 million for the six months ended 30 June 2022. It accounted for 5.5% of the revenue for the first half of 2022, with a decreased of 0.4 percentage points compared with the corresponding period in 2021.

Finance Costs — Net

The Group recorded net finance costs of approximately RMB3,541 million for the first half of 2022 (1H 2021: net finance income of approximately RMB1,903 million).

During the period, the Group recorded post-hedging net foreign exchange losses of approximately RMB4,482 million (1H 2021: net foreign exchange gains of approximately RMB831 million), interest income of approximately RMB914 million (1H 2021: approximately RMB1,350 million), and gains on repurchase of senior notes of approximately RMB27 million (1H 2021: early redemption costs of senior notes of approximately RMB278 million). Interest expenses, amounting to approximately RMB8,877 million (1H 2021: approximately RMB9,811 million), was fully capitalised on qualifying assets. Interest expenses decreased primarily due to the decrease of total debts.

Profit and Core Net Profit Attributable to Owners of the Company

For the first half of 2022, the profit attributable to owners of the Company was approximately RMB612 million (1H 2021: approximately RMB14,996 million).

After deduction of effects such as fair value changes and net foreign exchange gains/losses, the core net profit attributable to owners of the Company for the first half of 2022 was approximately RMB4,910 million (1H 2021: approximately RMB15,216 million).

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2022, the Group's available cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB147,976 million (31 December 2021: approximately RMB181,300 million), including approximately RMB123,483 million in cash and cash equivalents and approximately RMB24,493 million in restricted cash.

Restricted cash mainly represented unreleased guarantee deposits for construction of pre-sale properties placed in designated bank accounts as at 30 June 2022, and will be released in accordance with certain construction progress.

As at 30 June 2022, 96.1% (31 December 2021: 96.9%) of the Group's available cash was denominated in Renminbi and 3.9% (31 December 2021: 3.1%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

Debt Composition

As at 30 June 2022, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB181,200 million, RMB73,086 million, RMB33,955 million and RMB5,436 million respectively (31 December 2021: approximately RMB206,525 million, RMB75,069 million, RMB34,160 million and RMB2,168 million respectively).

For bank and other borrowings, approximately RMB52,973 million, RMB123,981 million and RMB4,246 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2021: approximately RMB64,382 million, RMB139,005 million and RMB3,138 million respectively). As at 30 June 2022 and 31 December 2021, the majority of the bank and other borrowings were secured by certain properties, right-of-use assets, equipment and the equity interests of the Group companies, and/or guaranteed by the Group.

The Group strictly manages the debt scale. As at 30 June 2022, the total debts decreased to approximately RMB293,677 million, from approximately RMB317,922 million as at 31 December 2021.

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 slightly increased from approximately 45.4% as at 31 December 2021 to approximately 48.1% as at 30 June 2022.

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 mainly in line with rely on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including the changes in social, political, economic and legal environment, as well as changes in government's policies on finance, economy, financing, industry and environment protection. The Group is also affected by changes in economic conditions, consumer sentiment, consumption expenditure, and consumption preferences. Therefore, the Group continues to implement its strategies to develop and strengthen its market penetration in different regions, reducing its reliance on specific markets. Meanwhile, the Group's operation is subject to a number of specific risk factors to property development, property investment and property related businesses, such as irresponsible behaviors of our buyers, tenants and business partners, inadequacies or failures of internal processes, human or system errors or other external factors which may have various degrees 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 2022, the weighted average borrowing cost of the Group's total debt was 5.31%, increased by 11 basic points as compared with that as at 31 December 2021, mainly because of the increase of floating interest rate of certain borrowings denominated in foreign currencies under the background of the US's raise of interest rates. 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 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 the 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 2022, the Group had provided guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB402,672 million (31 December 2021: approximately RMB383,217 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 2022, the Group had provided guarantees amounting to approximately RMB34,701 million (31 December 2021: approximately RMB43,221 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 2022, the Group had approximately 78,533 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 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.

Forward Looking

Since this year, the market has experienced a rapid decline and the industry is facing enormous challenges. The government aims to maintain healthy and stable development of the real estate industry, stabilize land prices, housing prices and market expectations, adhere to 'housing is for living, not for speculation', and implement a long-term mechanism. The Group firmly believes the industry will gradually return to a long-term healthy cycle. China's new type of urbanization still has a long way to go, the desire for a good living will always remain in people's hearts and the real estate market will always exist. The Group will devote itself to do the right thing and continue to improve its overall competitiveness through the cycle.

To better create value for shareholders, the Group will further focus on its brand awareness and reputation and strengthen our competitive edge in established markets. During this year, the Group has established the Science and Technology Construction Group (STCG), aiming to accelerate the industrialization, digitization and intelligentization of the traditional operating modes of construction industry. The STCG consolidates existing functional units and restructures the project planning process within manageable radius in order to deliver a systematic smart construction solutions that best suit with the construction market. With the implement of such advanced construction technologies and new ways of organizing and managing construction, the Group seeks new opportunities in expanding the business of providing property development services and management services for other parties.

To embrace the challenges and opportunities mentioned above, the Group continues to adopt prudent financial policies and risk control measures, ensure the quality and safety of the buildings, apply a more prudent strategy on new land acquisition, strengthen its contracted sales and cash collection to strengthen operating cash flows and ensure good investment return.

In conjunction with our property development and construction business, the Group has incurred research and development expenses to approximately RMB974 million in the first half of 2022 and established our diversified business covering smart construction and modern agriculture. The way forward, we will rely more on the application of artificial intelligence to solve the aging problem of workforce in the construction, industry workforce and the increasing consumer demand for sustainable environment and food safety. At the same time, the Group engages to the call from the government to solve housing problems for residents, and to forster the progress of the construction of affordable housing. The advantages of our STCG can be fully utilized by providing development and management services for the construction of affordable rental housing. 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 2022. 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 2022 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 2022, 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 F.2.2 of Part 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 26 May 2022 as he had other important engagement.

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 2022. No incident of non-compliance was noted by the Company to date in 2022. 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 2022, share options for 6,955,657 Shares with a fair value on the grant date of approximately HKD34 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 2022, 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 2022, no Shares were granted under the Employee Incentive Scheme. As at 30 June 2022, the total number of Shares in relation to share awards that were granted under the Employee Incentive Scheme was 165,668,396 Shares (being the net number after deduction of the exercised and lapsed share awards). As at 30 June 2022, the cumulative total number of Shares held by Power Great under the Employee Incentive Scheme was 280,370,795 Shares (including Shares which had been granted to relevant employees with the registration and transfer procedures yet to be completed) (31 December 2021: 289,205,333 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 AND PARTIAL REPURCHASE OF CONVERTIBLE BONDS, ADJUSTMENT TO STRIKE PRICE OF WRITTEN CALL OPTIONS AND ISSUE OF HKD3,900 MILLION 4.95% CONVERTIBLE BONDS DUE 2026

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 ("**SGX**"). Based on the total outstanding principal amount of the 2023 Convertible Bonds of HKD3,000 million as at the date of this announcement, 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 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 HKD14.53 per Written Call Option and its total number had been adjusted from 286,532,935 to 293,804,662 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 293,804,662 Shares as at the date of this announcement.

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. Based on the total outstanding principal amount of the 2026 Convertible Bonds of HKD3,900 million as at the date of this announcement, 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 during the conversion period under the terms of the 2026 Convertible Bonds. The initial conversion price of HKD8.10 per Share was determined with reference to the prevailing market price of the Shares (the market price per Share on 20 January 2022 was HKD6.96). The net proceeds from the issue of the 2026 Convertible Bonds was approximately HKD3,861 million. In accordance with the intentions previously disclosed by the Company, the net proceeds were applied as to (1) partial repurchase of 4.75% senior notes due July 2022 and 4.75% senior notes due January 2023 with principle amount of USD30.6 million; (2) USD209.2 million equivalent of principal repayment of the Company's offshore indebtedness; and (3) USD255.2 million equivalent of interest and coupon payment of the Company's existing offshore indebtedness.

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 8 to the "NOTES TO THE INTERIM FINANCIAL INFORMATION" in this announcement.

PLACING

In order to raise capital for the Company while broadening its Shareholders and capital base, on 27 July 2022, the Company and UBS AG Hong Kong Branch (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**"), under which the Company conditionally agreed to appoint the Placing Agent and the Placing Agent conditionally agreed to act as agent for the Company and to procure placees to subscribe for an aggregate of 870,000,000 Shares at a price of HKD3.25 per Share (the "**Placing Price**") (the "**Placing**"). The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the market condition and the prevailing market price of the Shares (the market price per Share on 27 July 2022 was HKD3.16). On 3 August 2022, all conditions set out in the Placing Agreement have been fulfilled and the Placing has been completed. A total of 870,000,000 Shares having an aggregate nominal value of HKD87,000,000 have been successfully placed by the Placing Agent to not less than six professional, institutional and/or other investors at the Placing Price. The net proceeds from the Placing was approximately HKD2,790.7 million. The net price per Placing Share was approximately HKD3.21. In accordance with the intentions previously disclosed by the Company, the Company intends to apply the net proceeds for refinancing existing offshore indebtedness, general working capital and future development purposes. Please refer to the announcements of the Company dated 27 July 2022 and 3 August 2022 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 2022.

During the six months ended 30 June 2022, the Company had partially repurchased the following senior notes from the open market on SGX in the cumulative total principal amount of USD42,620,000, of which the aggregate principal amount of USD36,600,000 of the senior notes had been cancelled:

1. an aggregate principal amount of USD22,620,000 of the 4.75% senior notes due July 2022 (ISIN: XS1637076164) (the "**July 2022 Notes**");

2. an aggregate principal amount of USD15,000,000 of the 4.75% senior notes due January 2023 (ISIN: XS1751178499); and

3. an aggregate principal amount of USD5,000,000 of the 7.25% senior notes due April 2026 (ISIN: XS1974522937).

For further details, please refer to the announcements of the Company dated 17 January 2022, 4 February 2022, 3 March 2022, 13 March 2022, and 2 May 2022.

In addition, on 27 January 2022, the 7.125% senior notes due January 2022 in an aggregate principal amount of USD425 million (ISIN: XS1880450140) issued by the Company and listed on the SGX has matured. The Company has repaid the outstanding amount of the notes in full with accrued interest. Following such repayment, no such notes were outstanding, and such notes have been cancelled and delisted from the SGX. For further details, please refer to announcement of the Company dated 27 January 2022.

On 15 June 2022, the Company made an offer to purchase for cash of the July 2022 Notes at a purchase price of USD1,000 per USD1,000 principal amount of the July 2022 Notes. The July 2022 Notes purchased to the offer will be cancelled and delisted from the SGX and the aggregate principal amount of the July 2022 Notes which remains outstanding is USD272,447,000 after completion of the offer. For further details, please refer to the announcements of the Company dated 15 June 2022, 23 June 2022 and 26 June 2022. The July 2022 Notes have been repaid in full upon maturity and there are no other offshore senior notes that are due to mature by the end of 2022.

For details of purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities (other than Shares) during the six months ended 30 June 2022, please also refer to notes 6 and 7 to the "NOTES TO THE INTERIM FINANCIAL INFORMATION" in this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (2021 interim dividend: RMB20.98 cents per Share).

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, 30 August 2022

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 Ziying, 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.