

# Financial Year 2020 Annual Results Presentation

25 March 2021



# Disclaimer

This presentation may contain forward-looking statements. Any such forward-looking statements are based on a number of assumptions about the operations of the Country Garden Holdings Company Limited (the “Company”) and factors beyond the Company's control and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates. The information in this presentation should be considered in the context of the circumstances prevailing at the time of its presentation and has not been, and will not be, updated to reflect material developments which may occur after the date of this presentation. The slides forming part of this presentation have been prepared solely as a support for oral discussion about background information about the Company. This presentation also contains information and statistics relating to the China and property development industry. The Company has derived such information and data from unofficial sources, without independent verification. The Company cannot ensure that these sources have compiled such data and information on the same basis or with the same degree of accuracy or completeness as are found in other industries. You should not place undue reliance on statements in this presentation regarding the property development industry. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information or opinion contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Information and opinion contained in this presentation may be based on or derived from the judgment and opinion of the management of the Company. Such information is not always capable of verification or validation. None of the Company or financial adviser of the Company, or any of their respective directors, officers, employees, agents or advisers shall be in any way responsible for the contents hereof, or shall be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. It shall not be construed as a solicitation or an offer or invitation to buy or sell any securities or related financial instruments. No part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation may not be copied or otherwise reproduced.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by the Company in the United States.



Content

1

Results Summary

---

2

Business Overview

---

3


Strategic Outlook

---

# Summary of AR2020

## Attributable Contracted Sales

570.66 bn

fast resumption of work 3.34% 

## Net Gearing Ratio

55.6%

total debt 326.49 bn  
decreased by 11.7% YoY

## Revenue

462.86 bn

down by 4.7% YoY


## Attributable Cash Collection

519.30 bn

attributable cash collection rate 91%  
above 90% for 5 consecutive years

## Borrowing Cost

5.56%

dropped by 78 bp YoY 


## Gross Profit

100.91 bn

gross profit margin<sup>1</sup> 21.8%


## Fortune Global 500

147<sup>th</sup>

ranking up by 30   
ranked first in property sector

## SG&A<sup>2</sup>

6.0%

down by 1.0 p.p. YoY 

## Net Profit

54.12 bn

net profit margin 11.7%

Notes:

1. Before LAT
2. Consolidated SG&A as % of revenue



Content

1

Results Summary

---

2

Business Overview

---

3

Strategic Outlook

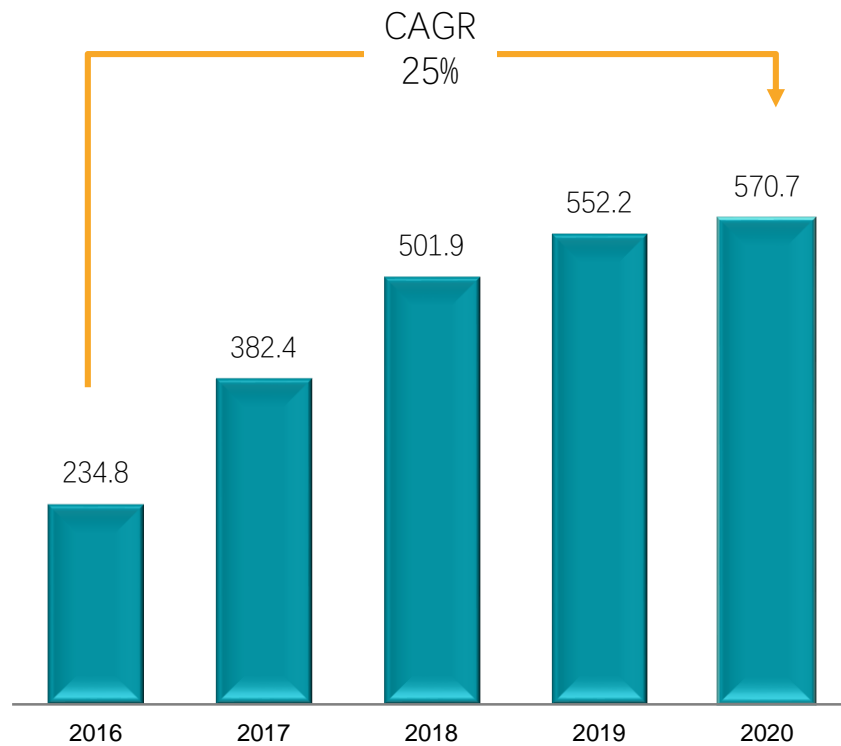
---

sales outperforming peers  
steady performance in  
cash collection

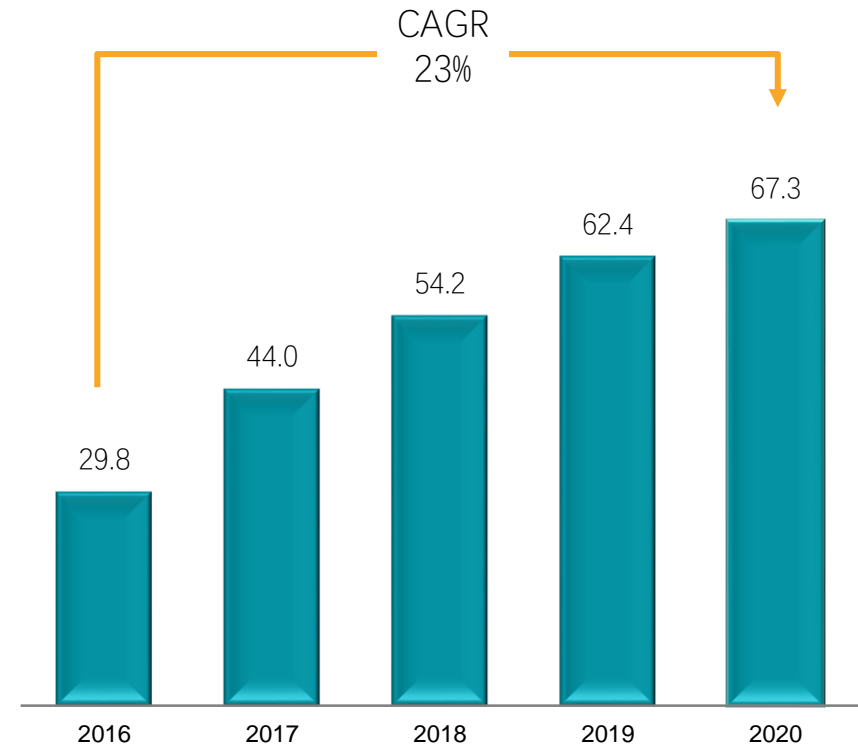
attributable contracted sales amounted to RMB**570.66**  
billion with an attributable GFA of **67.33** million sq.m.

Maintaining steady sales growth over the years, pursuing excellence in property business

Attributable Contracted sales  
(RMB billion)

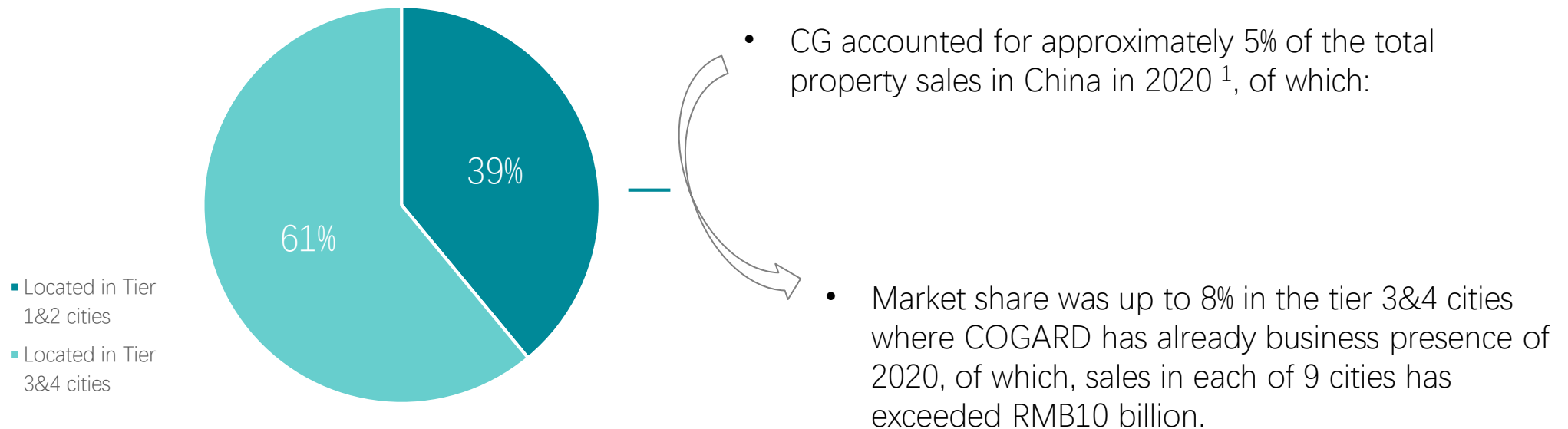


Attributable GFA  
(million sq.m.)



CAGR of attributable contracted sales from 2016 to 2020 reached 25%. It indicates resilience of the Company and CG maintains industry leadership over many years.

# Splitting area market for solid penetration while maintaining good reputation



In 2020, CG accounted for approximately 5% of the total property sales in China and market share was up to 8% in the tier 3&4 cities where COGARD has already business presence of 2020. It expects market shares to be increased in the future.

Note:

1. China's commodity property sales as at 31 December 2020 according to National Bureau of Statistics of China



# financial stability

## sufficient cash balance

total debt dropped by **11.7%** from RMB **369.60** billion to RMB**326.49** billion  
weighted average borrowing cost as at 31 Dec 2020 was **5.56%**, down by  
**78bp** compared with that at the end of 2019

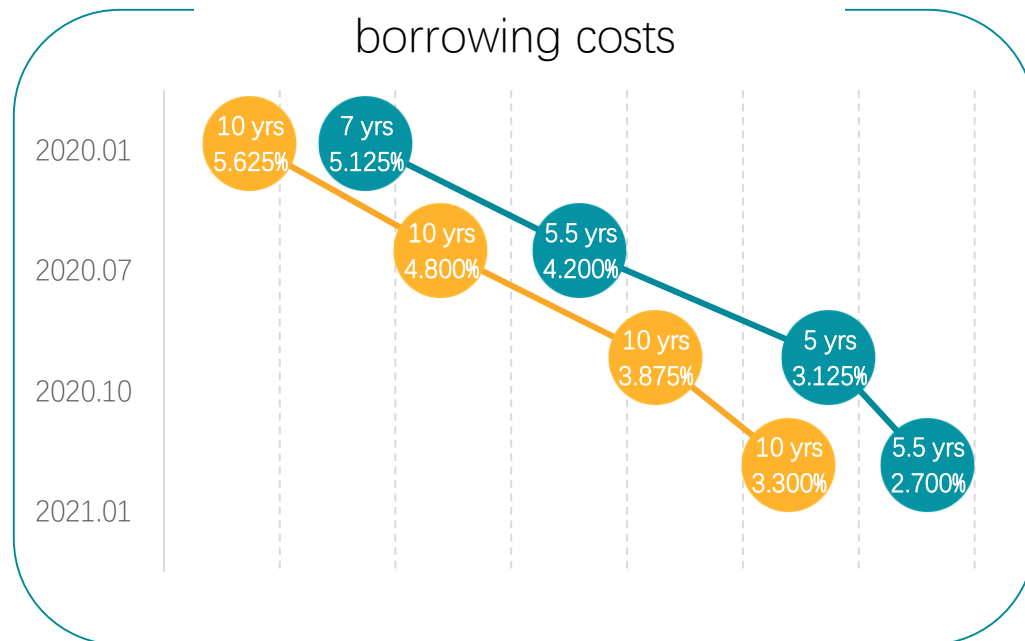
as at the end of 2020, cash balance amounted to RMB**183.62** billion, the  
Group's unused credit lines totaled RMB**340.00** billion

# Borrowing cost decreased and debt structure optimized

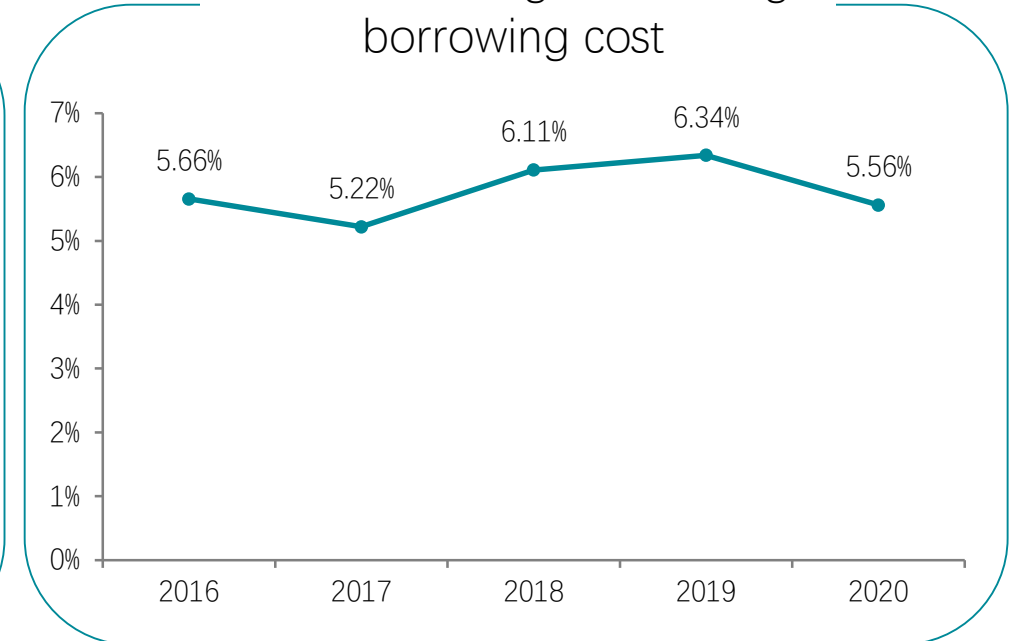
Maintaining leadership in terms of credit ratings and borrowing cost outperforming peers

Rating agencies	Issuer Rating	Senior Unsecured Debt Rating	Outlook	Rating
Moody's	Baa3	Baa3	Stable	Investment
Fitch	BBB-	BBB-	Stable	Investment
S&P	BB+	BB	Positive	just below investment

Trends in offshore senior notes borrowing costs



Period-end weighted average borrowing cost



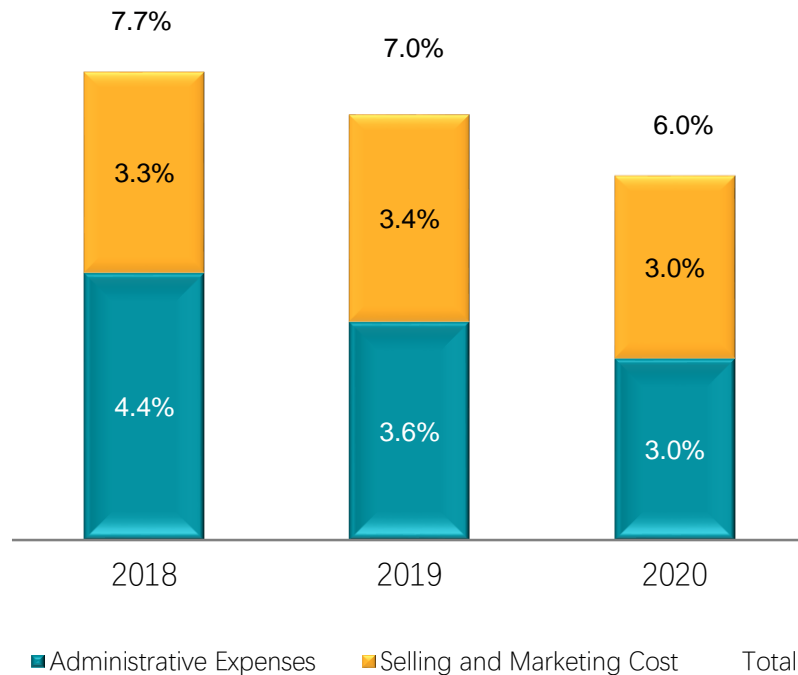
Moody's upgraded company's issuer rating and senior unsecured debts rating to "investment-grade" while S&P upgraded the outlook of the Company's long-term issuer credit rating to "positive". This helped the Company lower its borrowing cost and optimize its debt structure.

# efficient cost control

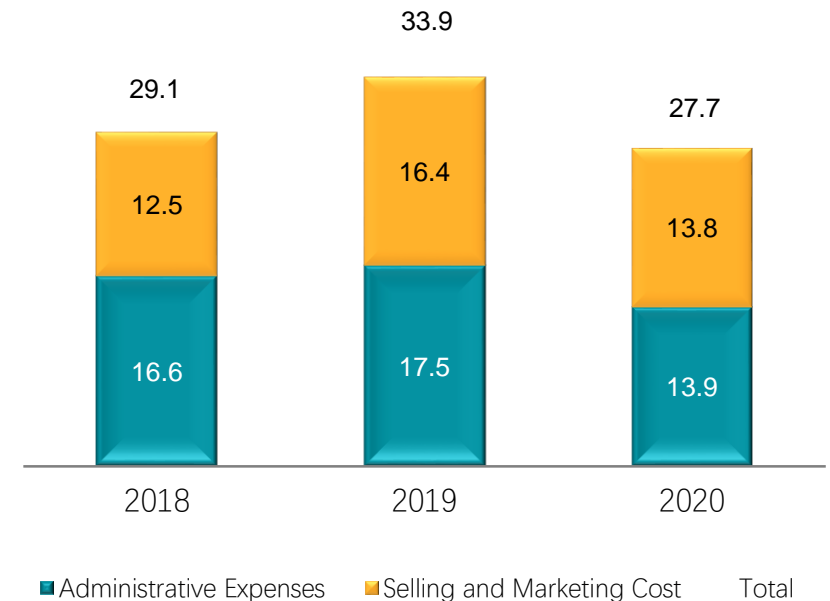
SG&A accounted for **6.0%** of revenue, dropped by **1.0** p.p. YoY

# Effective cost control, improving quality and efficiency to enhance overall competitiveness

Consolidated SG&A as % of revenue



Consolidated SG&A(RMB billion)



The Group continue to step up the control of SG&A expenses, which were 6.0% of revenue in 2020, down by 1.0 p.p. YoY. And the total amount is RMB27.7 billion, down by 18.4 p.p. YoY.



Content

1

Results Summary

---

2

Business Overview

---

3

Strategic Outlook

---

# sufficient land bank nationwide coverage

projects spanning across all provinces in Mainland China

As at 31 December 2020, the number of projects acquired in Mainland China<sup>1</sup> by the Group amounted to **2,958** spanning across **289** cities in **31** provinces/autonomous regions/municipalities and covering a total of **1,350** districts/counties.



South China Sea Islands

Note: There are **29** projects outside Mainland China

# Prudent investment and expansion, balanced distribution in all-tier cities

Parcels of land

511

Attributable  
land cost

209.2 bn

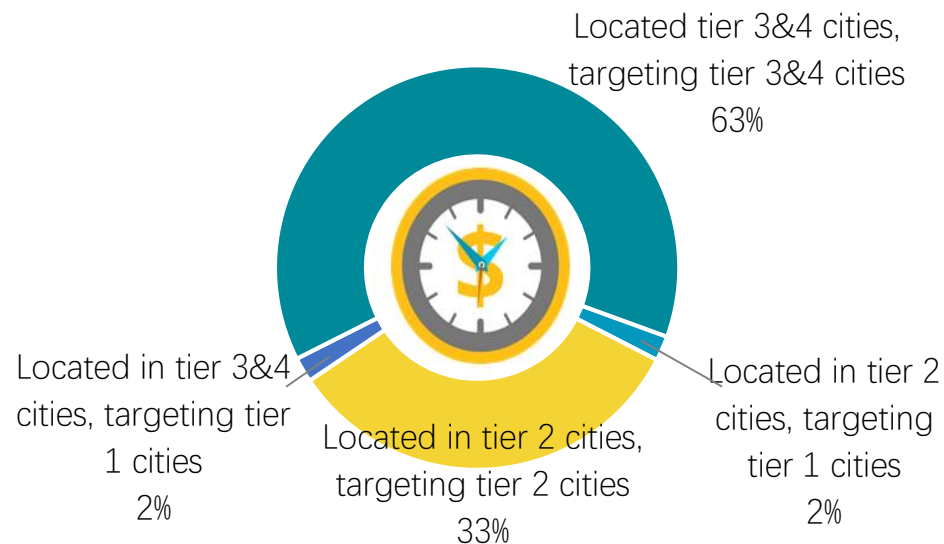
Revenue to  
land-cost ratio

3.3

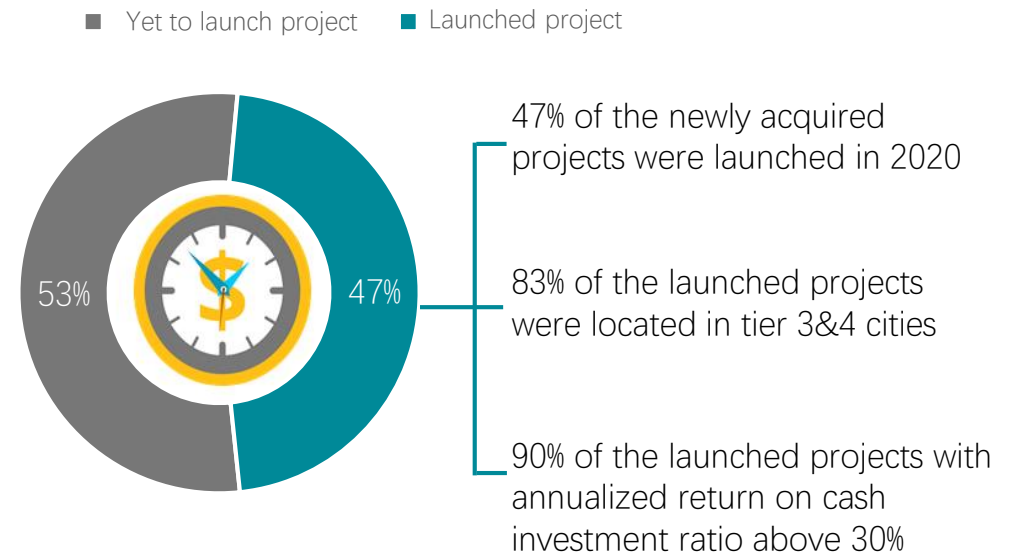
Cost per sq.m.

rmb2,968/m<sup>2</sup>

Tier cities breakdown of newly acquired  
lands in 2020 (By attri. value)



Newly acquired projects in 2020





# Expanding into city clusters with diversification and increasing attributable ratio year by year

Focus on top-five city clusters

75%

By attributable value

Acquiring lands by diversification

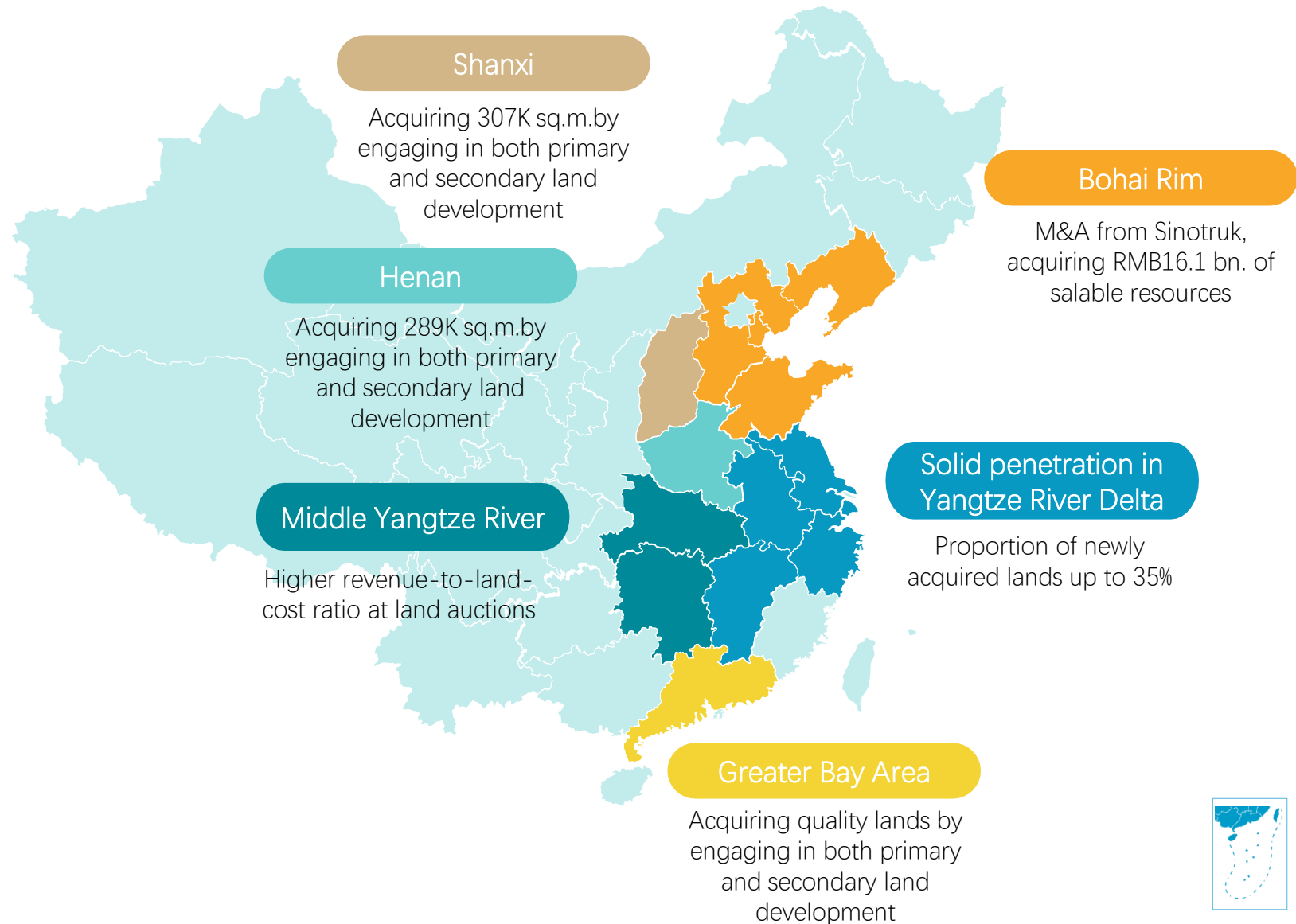
35%

By attributable value

Attributable ratio

88%

By attributable value



# Balanced and diverse salable resources in Mainland China to provide strong support to future development



## Notes:

1. as at 31 December 2020; attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio
2. estimated potential attributable salable resources targeting Beijing, Shenzhen, Guangzhou, Foshan, Zhengzhou, Lanzhou and Guizhou are RMB458.1 billion

# Rational distribution of salable resources: major resources in line with the trend of migration

Permanent residents by end of 2019 (million)	Attributable salable resources (RMB billion)	Contribution to total salable resources
>10	301.3	17%
5-10	601.9	34%
3-5	571.5	33%
0.5-3	248.2	14%
<0.5	30.7	2%
Total	1,753.6	100%

Trend of migration	Attributable salable resources (RMB billion)	Contribution to total salable resources
Inflow	1,629.4	93%
Outflow	124.2	7%
Total	1,753.6	100%

City clusters	Attributable salable resources (RMB billion)	Contribution to total salable resources
<b>Top-five city clusters</b>	<b>1,281.0</b>	<b>73%</b>
♦ Yangtze River Delta / Jiangsu, Zhejiang, Shanghai and Anhui	335.2	19%
♦ Guangdong	443.1	25%
♦ Bohai Rim/Beijing-Tianjin-Hebei-Liaoning-Shanxi-Shandong-Inner Mongolia Area	300.0	17%
♦ Middle Yangtze River / Hunan and Hubei	155.4	9%
♦ Sichuan and Chongqing	47.3	3%
<b>Pocket areas and others<sup>1</sup></b>	<b>472.6</b>	<b>27%</b>
♦ Henan	101.6	6%
♦ Hainan	81.8	5%
♦ Others	289.2	16%
<b>Total</b>	<b>1,753.6</b>	<b>100%</b>

As at end of Dec 2020, among the salable resources, 98% are in regions with population of over 0.5 million; 93% are in regions featuring immigration; 73% are in top-five city clusters

Note:

1. Pocket areas include provinces with high population density and net population inflow like Fujian, Hainan, Henan etc.
2. Salable resources refer to figures as at 31 December 2020. Number of population migration are calculated in accordance with data from Wind and statistics on permanent residents of the city from China Urban-Rural Construction Statistical Yearbook issued by the Ministry of Housing and Urban-Rural Development

## Inventory status of COGARD's portfolio in tier 3&4 cities : most in short of supplies or in a healthy level

We monitor the following four types of inventories and average GFA consumption of a city:.	
Type I	Unsold GFA with sales permit
Type II	GFA under construction yet to obtain sales permit
Type III	GFA acquired but yet to start construction
Type IV	Potential GFA supply from government. in the next 12 months
S	Average GFA sold per month
T	Average time taken from acquisition to launch

Supply and demand Status of COGARD's tier 3&4 cities				
	Inventory status	Shortfall (I+II+III+IV-S*T)/S ≤ 12	Healthy (between shortfall and oversupplied)	Oversupplied (I+II+III+IV)/S > 24
Located in tier 3&4 cities	Numbers of cities	71	140	34
	Percentage	28%	56%	16%
	Attributable salable resources as of Dec 2020 ( bn)	271.1	604.4	199.9
	Percentage of salable resources	25%	56%	19%

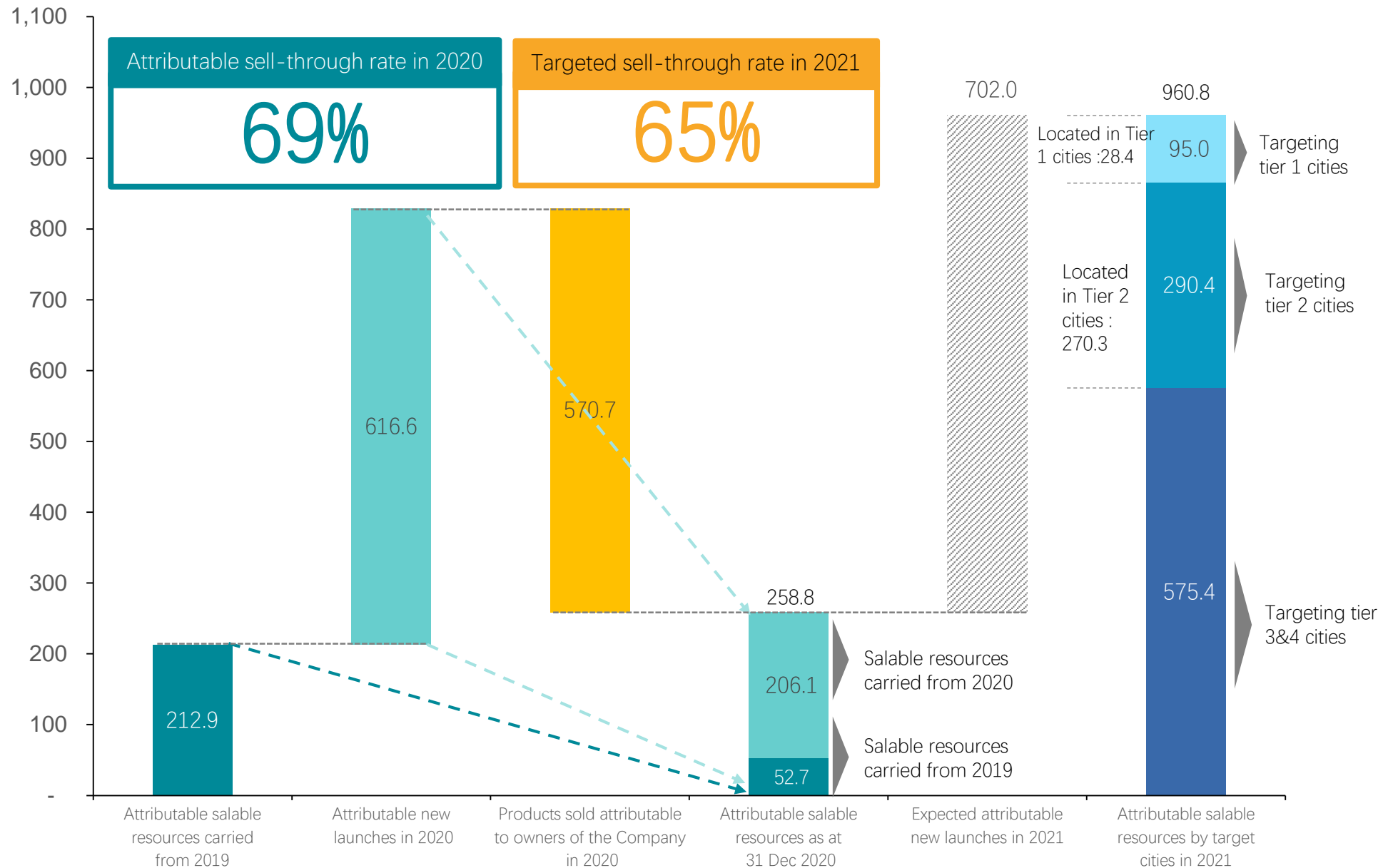
Of the tier 3&4 cities where COGARD already has business presence, 84% are those where housing is in short supply or where supply nearly matches the demand. The value of the attributable salable resources in such cities accounts for 81% of COCARD's total in tier 3&4 cities.

Note:

1. The above data was obtained as of 31 December 2020.

# Sufficient attributable salable resources in Mainland China in 2021

## Attributable salable resources in Mainland China<sup>1</sup> (RMB billion)



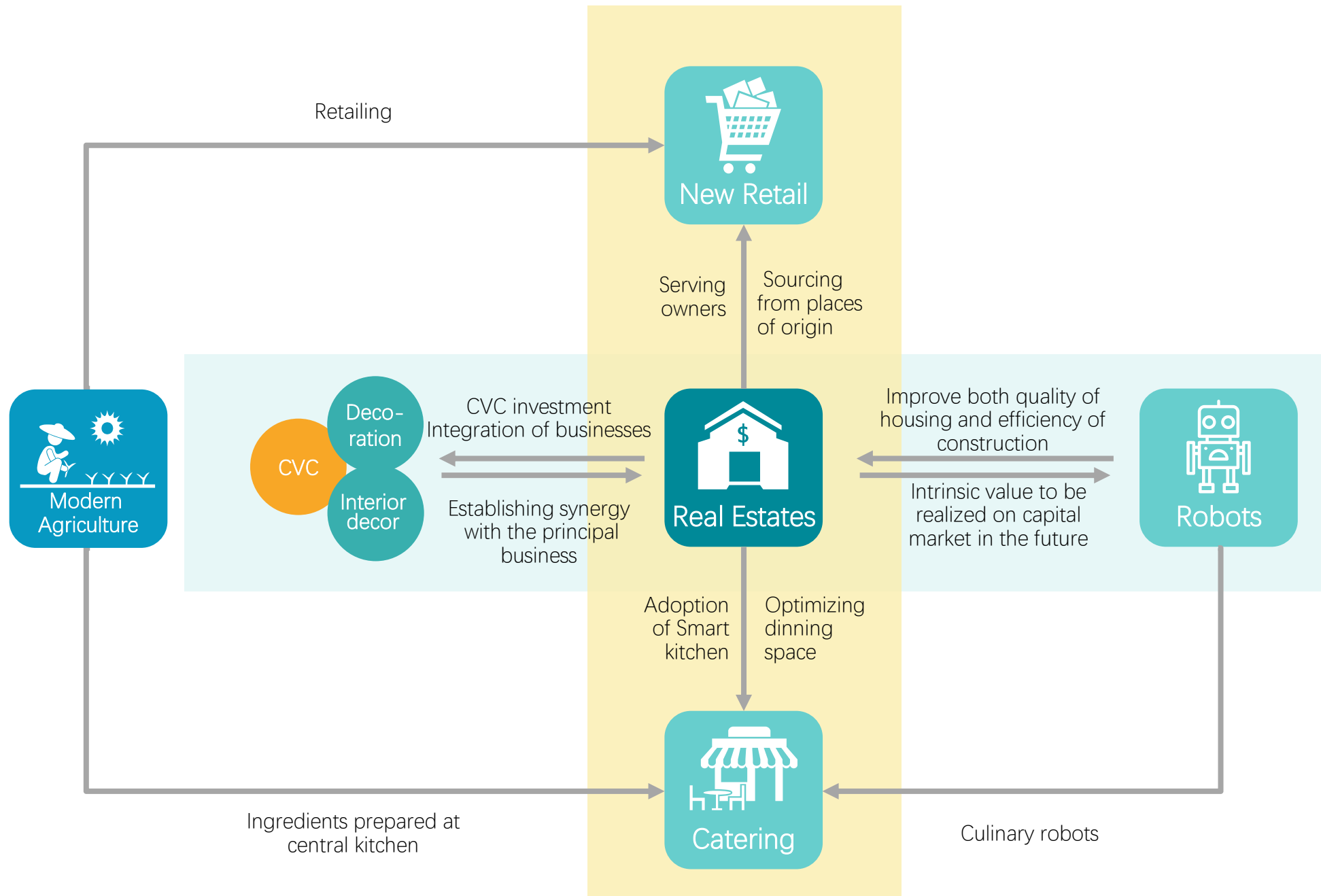
Note:

- Attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio. Completed but unsold or under construction unsold units with sales permit are also included in attributable salable resources.

# technology empowerment business diversification

developing into a diversified technology company  
further enhancing the Group's competitiveness

# Building an internal circulation along the entire property value chains, enhancing overall competitiveness with technology

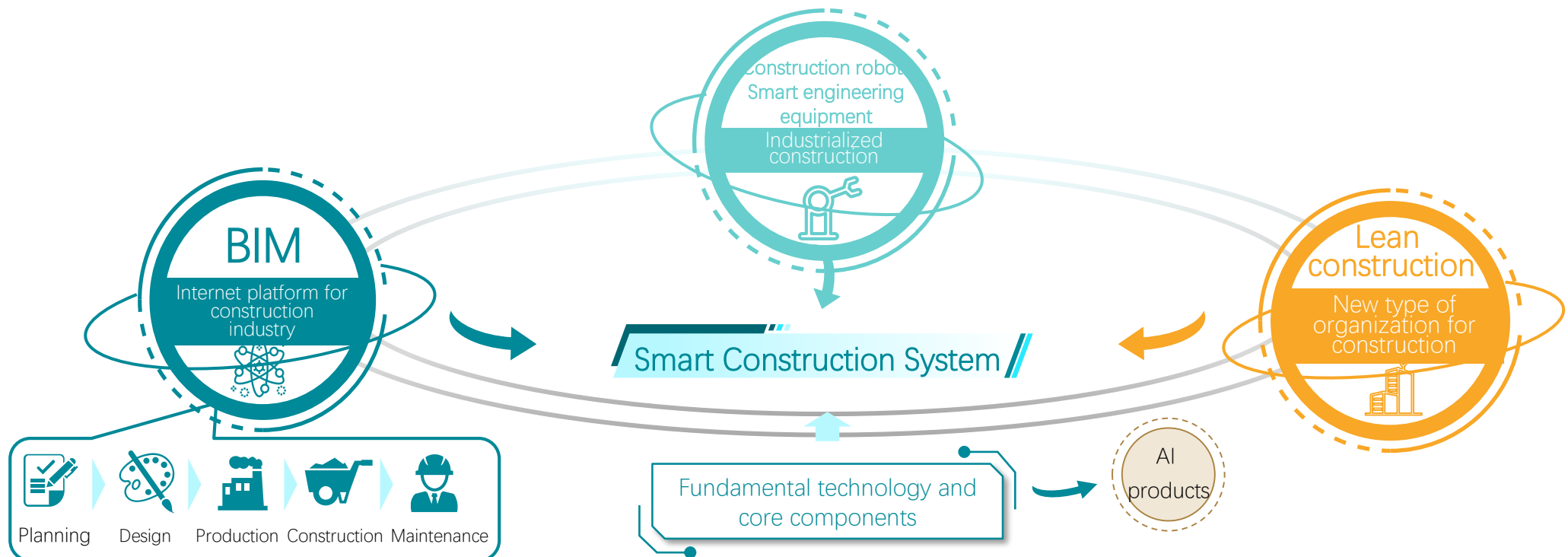


# construction robots

total solution provider for smart construction  
and building industrialization



# Bright Dream Robotics' business system: total solution provider for smart construction and building industrialization



## Talent Pool

- A R&D team of more than 4,000 staffs, in which 20% of staffs have doctoral or master degrees, with an average age of 30 years

## Innovation Capability

- Applied for 2,997 patents accumulatively and being granted 956 patents
- Undertaking 2 technological development projects of MOHURD and 1 R&D project is a key field earmarked by the GD province of development
- Founded CECS as executive official deputy director in Construction Robot Professional Committee

## Application of Smart Construction System

- 46 types of construction robots and AI products being developed, incl. 18 have been commercialized, and 28 types that can carry out engineering validation test
- Been applied in 15 projects with over 800,000m<sup>2</sup> of floor area constructed
- The BIM digitalization system has developed 21 products of 7 categories

## Support of fundamental technology

- 40 core components being developed, incl. 5 core modules of construction robots
- 1,600 core components delivered and widely applied in construction robots
- Proprietary 6-axis robotic arm developed by the Company was delivered to Qianxi Robotics Group

# Application of smart construction system

At the beginning of 2021, MOHURD issued the “Notice on Agreeing to Pilot Smart Construction”. Two projects have been selected to take part in the pilot scheme. Fengtong Garden is the only project in China which construction robots have been applied on a large scale.



Floor cleaning robot



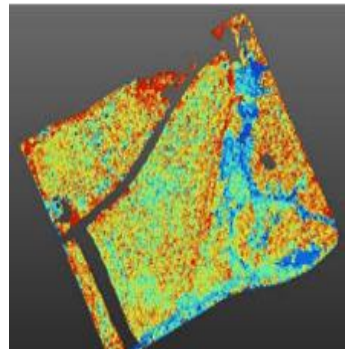
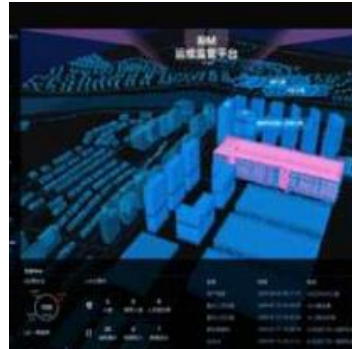
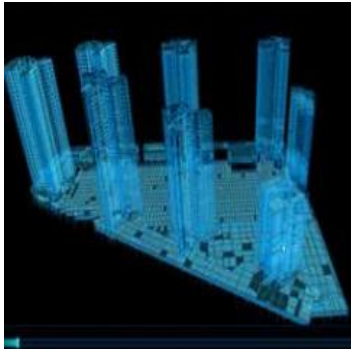
Ground grinding robot



Exterior wall spraying robot

## Construction Robots

Over 50 robots in 20 types were deployed in Fengtong Garden, making the first-time application of the Company's proprietary robots in construction on a large scale.



## BIM Digitalization

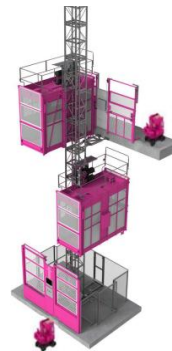
21 items of BIM digitalization were applied in projects. It enables visualization of designs, digitalized project management, effective cost control and the enhancement of construction quality.



Measuring robot



Intelligent concrete placing machine



Smart elevating platform

## Smart Engineering Equipment

3 types of smart equipment were applied to standardize the construction facilities, reducing the demand for labour and materials, improving efficiency and enhancing safety.

# robots for culinary

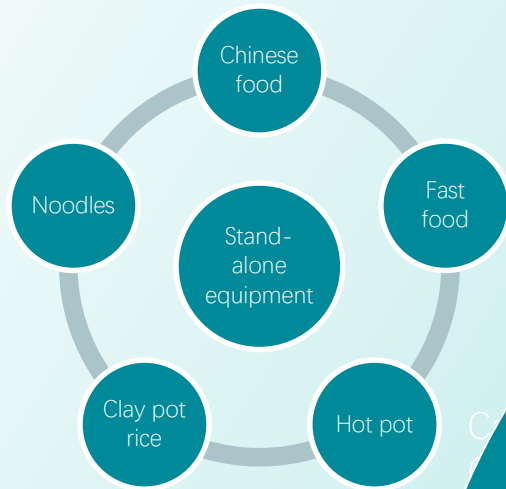
providing solution for the upgrading of smart catering service

# Covering the entire value chain, facilitating the upgrading of catering industry and service



- Nearly 80 restaurants operated by culinary robots were opened and put into operation
- 583 stand-alone equipments were put into operation

## Business integration 5+1



- The first to be awarded CR certificate for culinary robots in China
- The clay-pot rice robot and ice-cream robot obtained CE marking

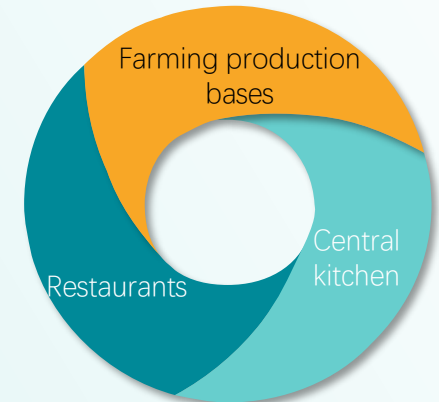
Technology certification

- Assembly plant with floor area of 65,000m<sup>2</sup> put into operation
- 61 products being developed
- 6 products are in mass-production
- Applied 883 patents and 411 were granted

Product technology



- RMB300 million invested in a smart food processing plant in Machong, Dongguan with daily designed processing capacity of 180 tons
- Delivering fresh productions from farms to dinning table.



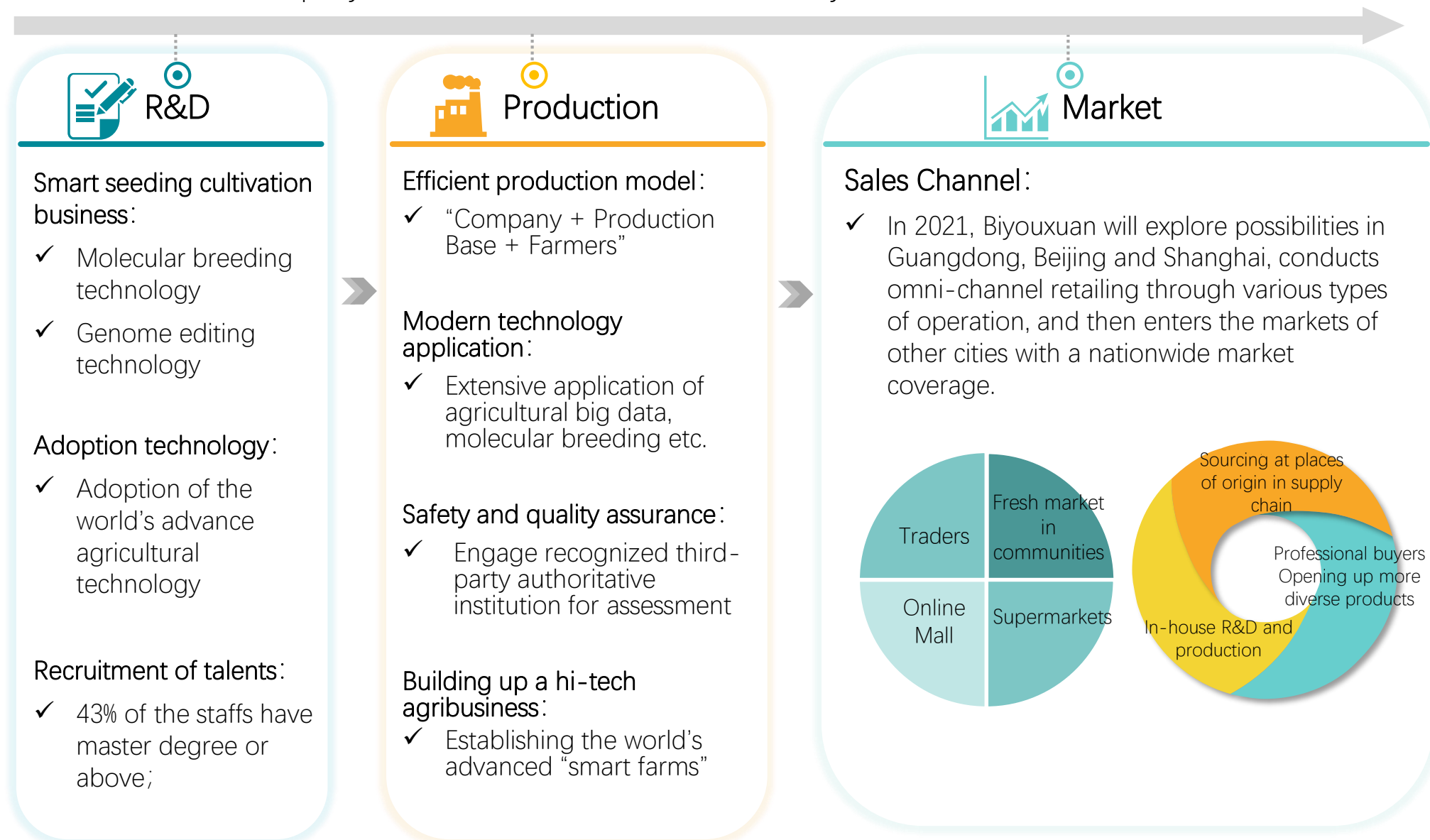
Participated in the formulation and launching of the first industry standard of food robots.  
"Technical Specifications for Safety Certification of Robot System in the Field of Food Industry"

# modern agriculture cover whole industry chain

a modern agricultural system solutions and services provider

# Developing businesses in the whole industry chain of agriculture, raising standards of agricultural technology

From cultivating seedings, front-end technological R&D to intermediate stage of production that involves “Company + Production Base + Famers” and Biyouxuan stores as retail outlets

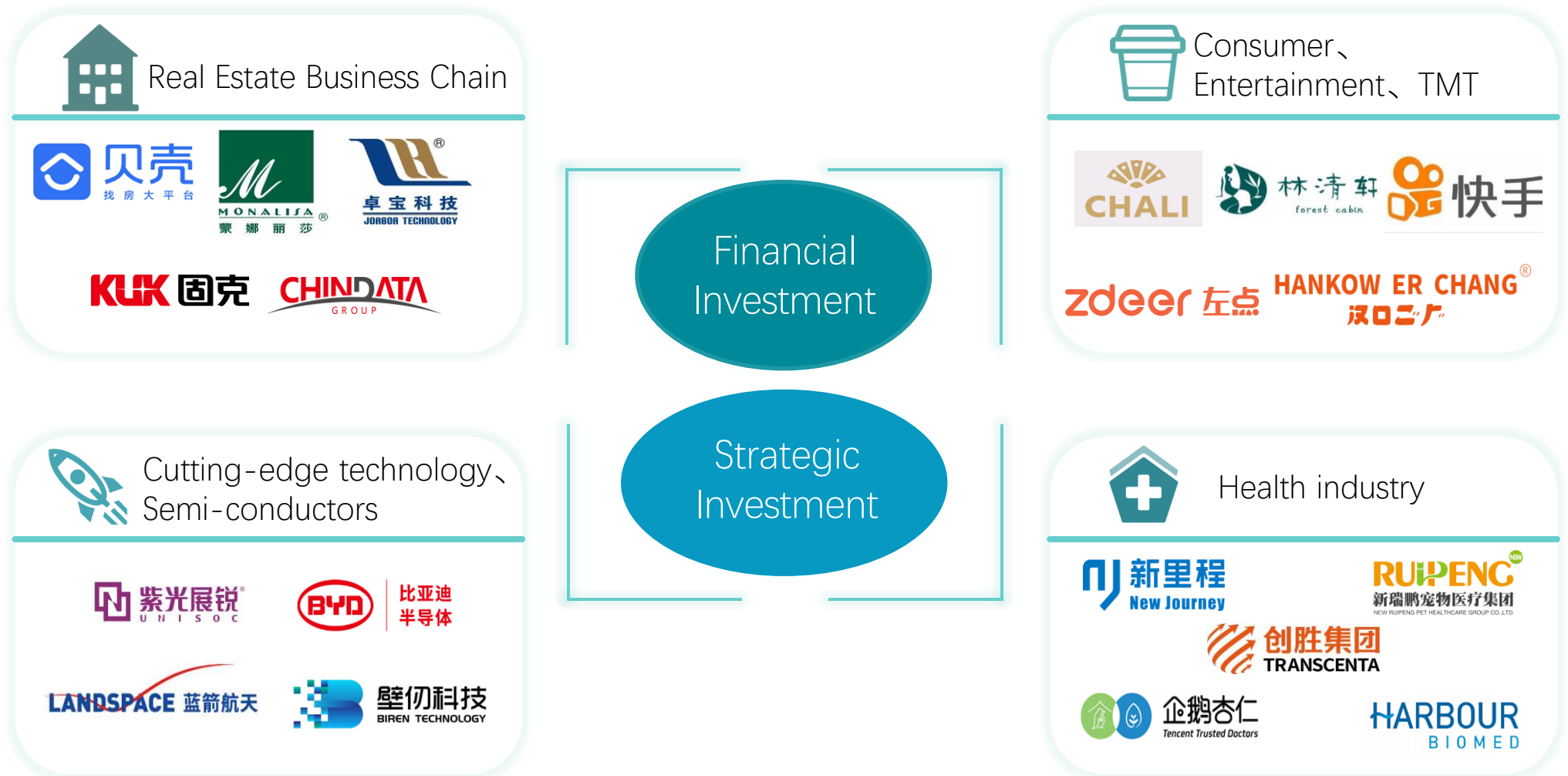


# venture capital investment

empowering businesses and creating value together



# Entering other trillion dollar markets by investments along the businesses chains



Since its establishment two years ago, CGVC has now covered “VC-PE-Primary to secondary/secondary markets” and has built an investment portfolio consisting of businesses at various stages of development and in different industries with a comprehensive ROI<sup>1</sup> more 80%, of which 4 companies have got listed.



# social responsibility

benefiting people and society  
engaging in poverty alleviation for 24 years

# Giving back to society through poverty alleviation



- “Party’s work + Poverty alleviation” at counties
- Grooming 35,000 people as CCP’s cadre, indirectly helping 300,000 poor people

CCP’s work

education

- Build 3 charity schools as bridge between elementary and tertiary education
- Establish over 20 education charity foundations



- Help migrants start businesses at hometowns
- Promote 463 specialty produce of 31 poor counties
- Develop 14 tourism routes

Entrepreneurship investment

Employment

- Train up 100,000 people in rural areas and recommend 55,000 of them to prospective employers



Targeted poverty alleviation programmes in  
**57** counties of **16** provinces

Cumulative Donations over  
**RMB8.7 bn**

Alleviating poverty for  
**24** years  
1997-2021

Direct beneficiary  
**490,000**

Education charities  
**100,000** young people received education

Mr. Yeung Kwok Keung, Chairman of COGARD, received the honour of the “Champion of Poverty Alleviation”

Accumulated sales of agricultural produce for poor peasant over **220 mn**

奮鬥 惟有 浮雲 征途

Thank you for your trust and support in Country Garden!