



# Financial Year 2021 Interim Results Presentation

24 August 2021



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Content

1

Results Summary

---

2

Business Overview

---

3

Strategic Outlook

---

# Summary of Interim Results 2021

Attributable  
Contracted Sales

303.09 bn

up by 13.5% YoY 

Net Gearing Ratio

49.7%

down by 5.9 p.p. since the end of 2020  
total debt 324.24 bn 

Revenue

234.93 bn

up by 27% YoY 


Attributable Cash  
Collection

272.79 bn

attributable cash collection rate 90%  
above 90% for 6 consecutive years


Borrowing Cost

5.39%

dropped by 17 b.p.  
since the end of 2020 


Gross Profit<sup>1</sup>

46.28 bn

up by 3.1% since the end of 2020   
gross profit margin<sup>1</sup> 19.7%

Fortune  
Global 500

139<sup>th</sup>

ranking goes up for  
5 consecutive years 


SG&A<sup>2</sup>

5.9%

down by 1.4 p.p. YoY 

Net Profit

22.42 bn

up by 2.3% YoY   
net profit margin 9.5%

Notes:

1. Before LAT

2. Consolidated SG&A as % of revenue



Content

1

Results Summary

---

2

Business Overview

---

3

Strategic Outlook

---

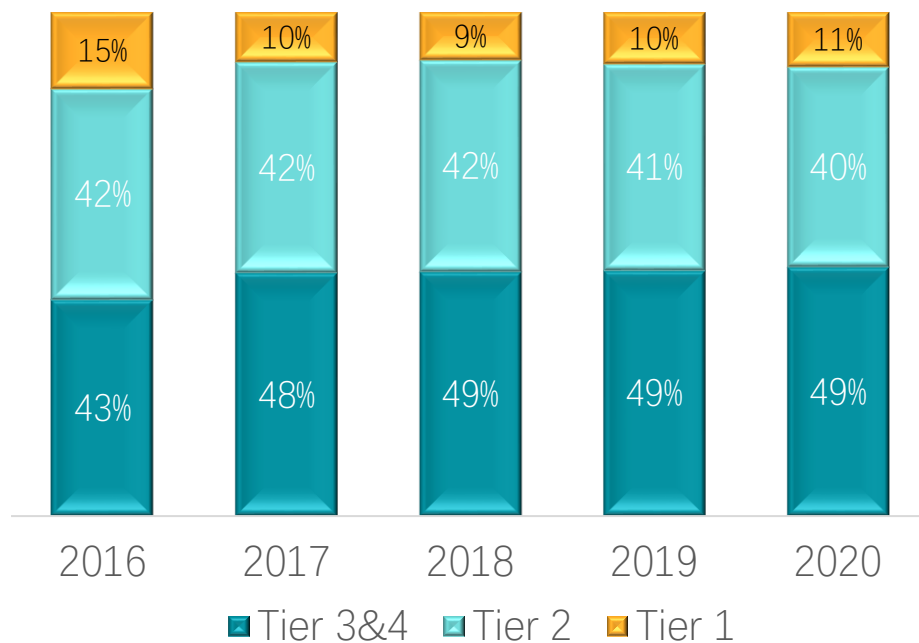
sales outperforming peers  
maintaining good reputation

attributable contracted sales amounted to RMB**303.09** billion  
with an attributable GFA of **34.51** million sq.m.

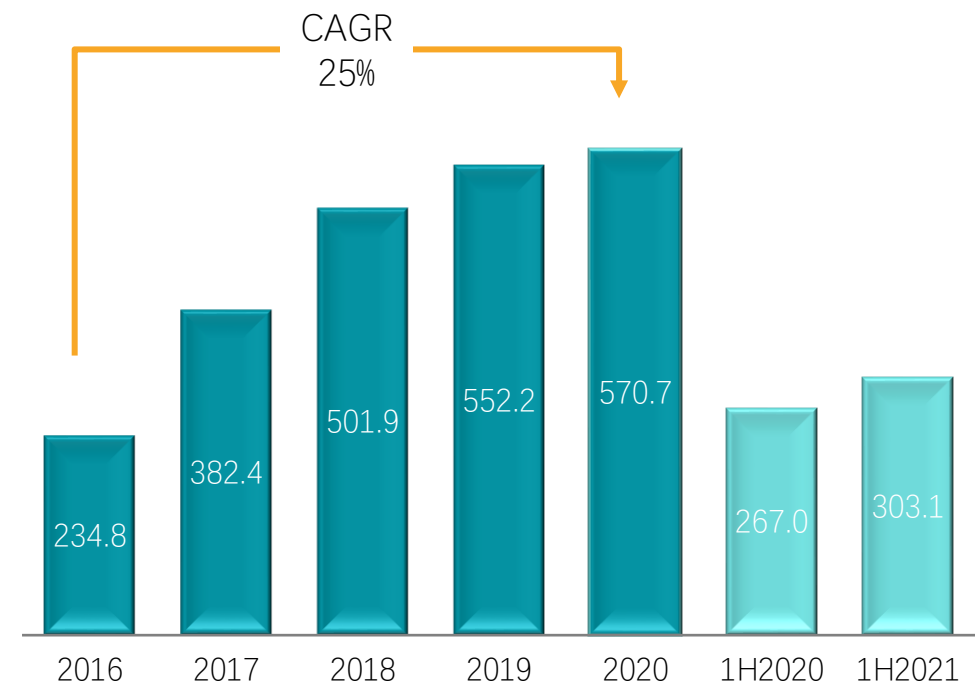


# Maintaining steady sales growth over years, pursuing excellence in property business

Breakdown of national property sales by tiers  
(2016-2020)



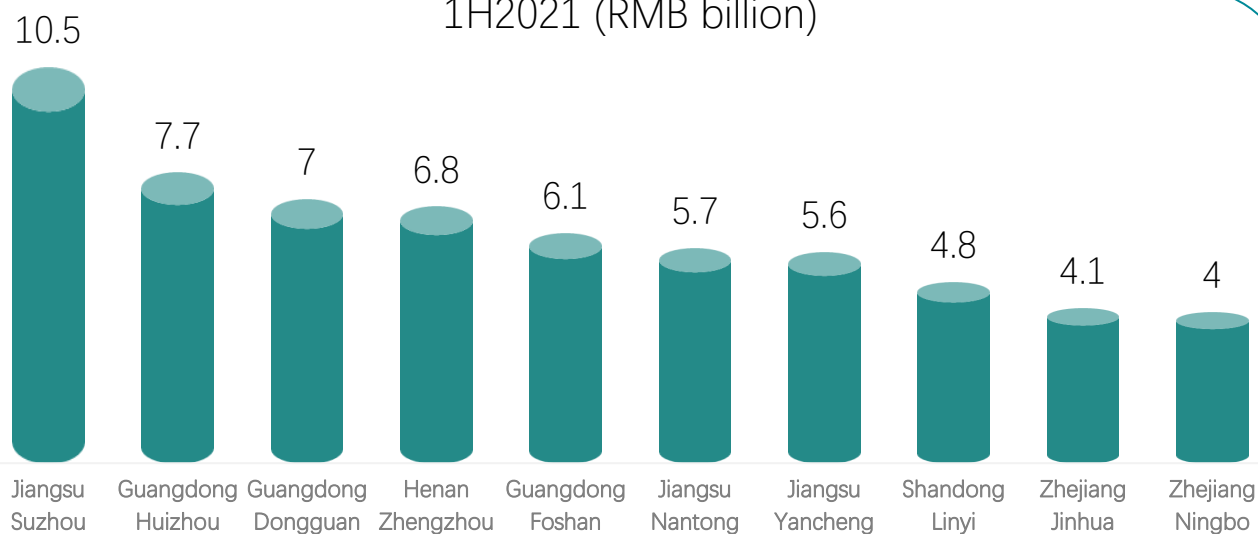
Attributable Contracted Sales  
(RMB billion)



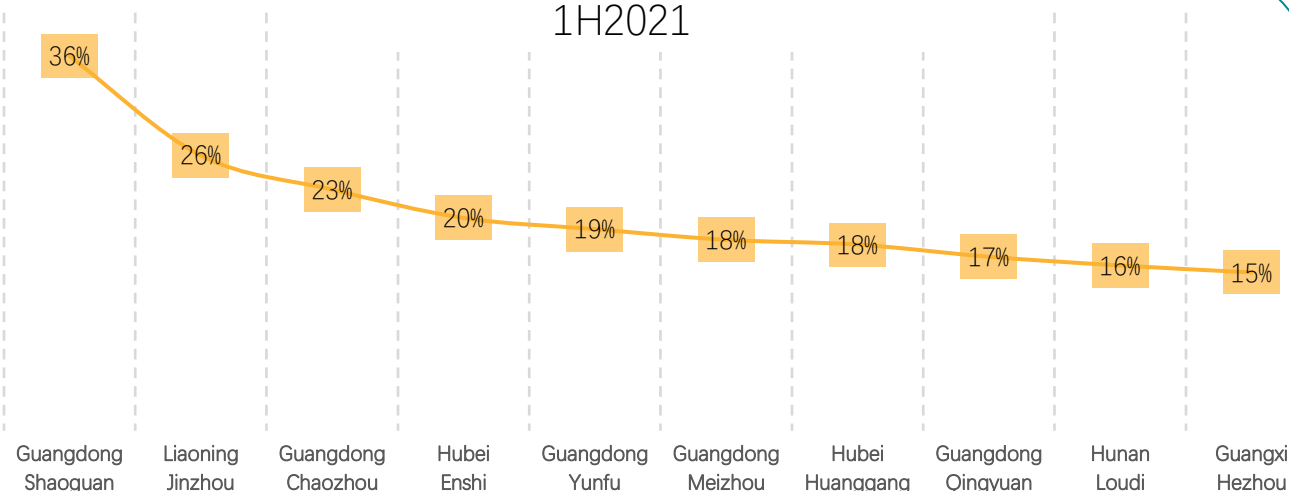
From 2016 to 2020, the proportion of property sales in tier 3&4 cities rose from 43% to 49%, sustaining the development of the property market for a long time. During the period, the Company's attributable contracted sales increased at a CAGR of 25%. The great tenacity along with a robust growth rate provide strong supports to the Company's leading position over the years.

# Consolidating market penetration by restructuring management radius while maintaining good reputation

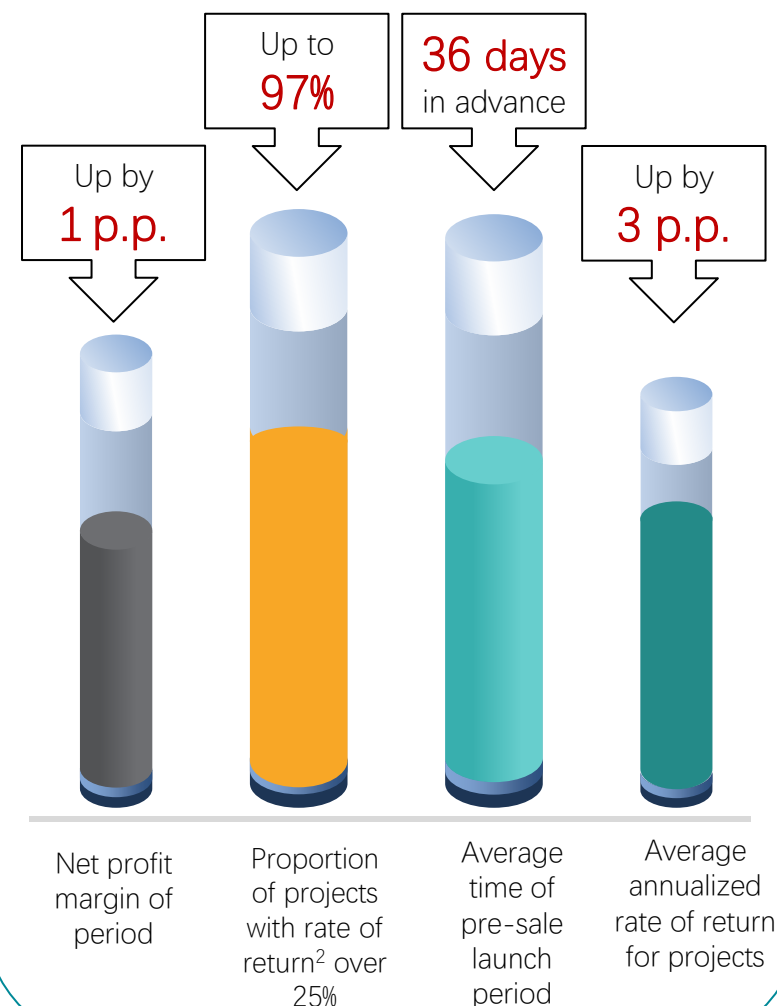
Top 10 cities with highest attributable contracted sales in 1H2021 (RMB billion)



10 cities with largest market shares in 1H2021



Operational efficiency increased significantly after splitting area market<sup>1</sup>



Notes:

1. Operating data applies to projects which have been launched for sales in the same year
2. Annualized return on investment= cycle net profit recorded during the cycle of the project / annualized tied-up capital before cash flow became positive
3. Sales capacity over 4 billion in 1H2021



# financial stability sufficient cash balance

total debt dropped to RMB**324.24** billion since the end of 2020

weighed average borrowing cost was **5.39%**, down by **17 b.p.** since  
the end of 2020

cash balance amounted to RMB**186.24** billion

# Borrowing cost outperforms peers and debt structure effectively optimized

Maintaining leading position in terms of credit ratings and competitive financing advantages

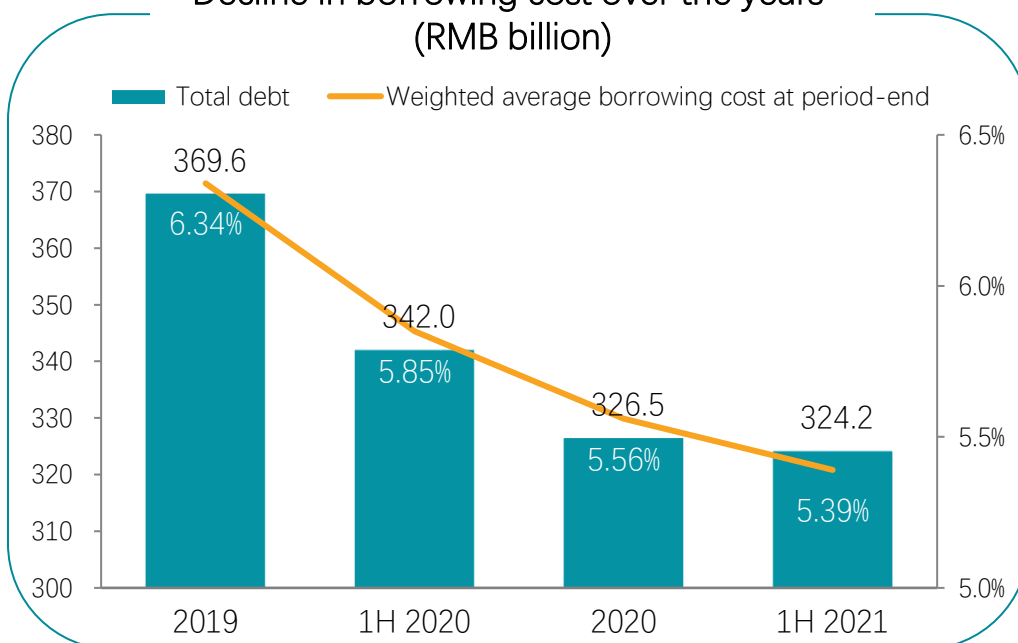
Moody's  
**Baa3**  
Stable

Fitch  
**BBB-**  
Stable

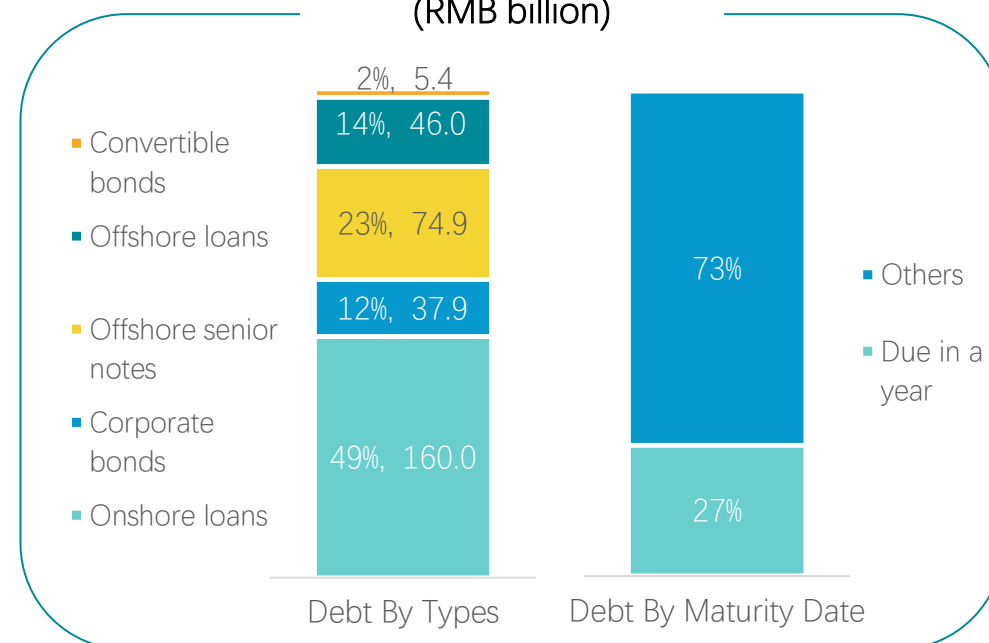
S&P  
**BB+**  
Positive

Offshore Financing in 2021				
Time of Issue	Type of bonds	Size (mn)	Coupon rate	Tenor (year)
Jan 2021	Senior notes	USD 500	2.700%	5.5
Jan 2021	Senior notes	USD 700	3.300%	10
May 2021	Senior notes	USD 500	3.125%	4.4
July 2021	Senior notes	USD 200	2.700%	5

Gradual decrease in total debt  
Decline in borrowing cost over the years  
(RMB billion)



Types of total debt  
(RMB billion)



# profit stabilized promising future

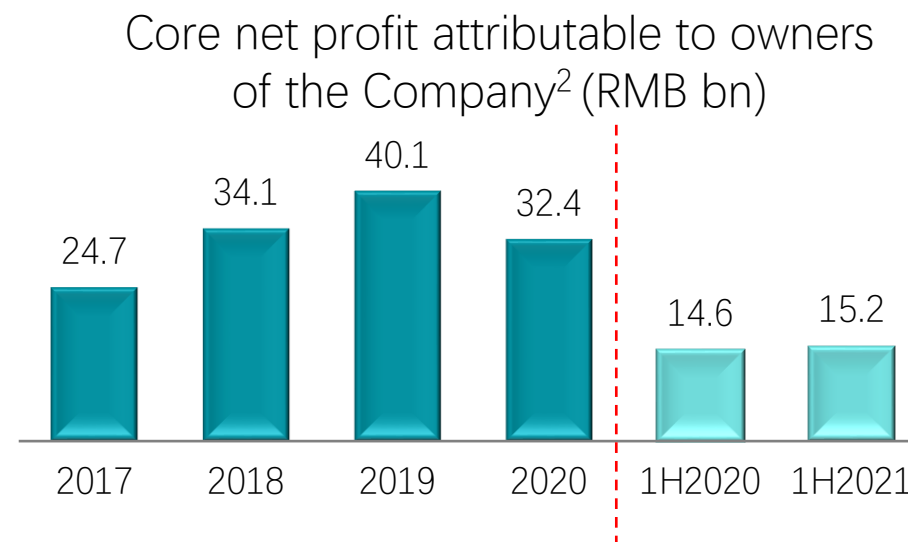
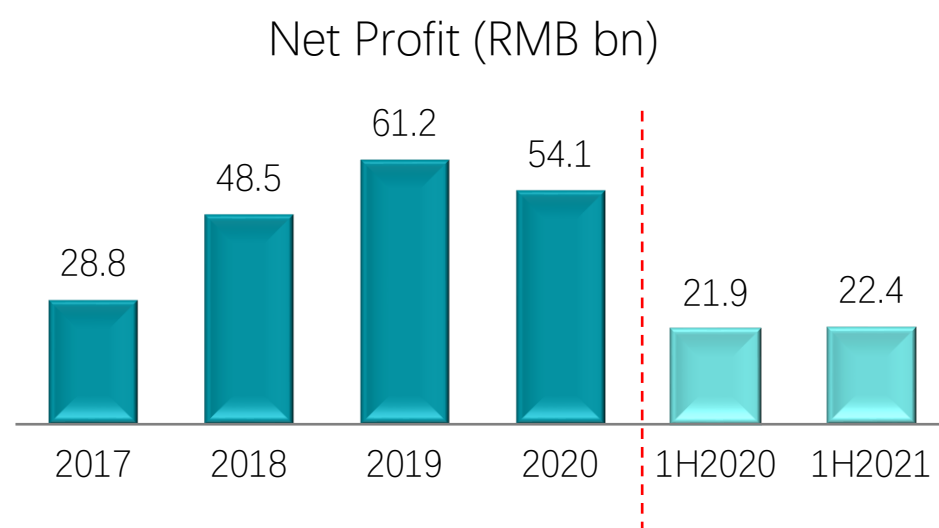
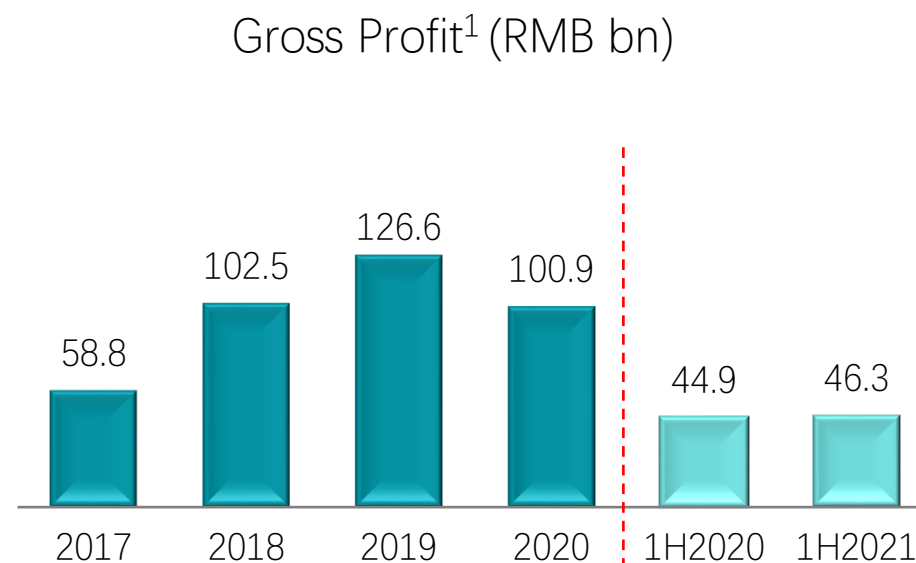
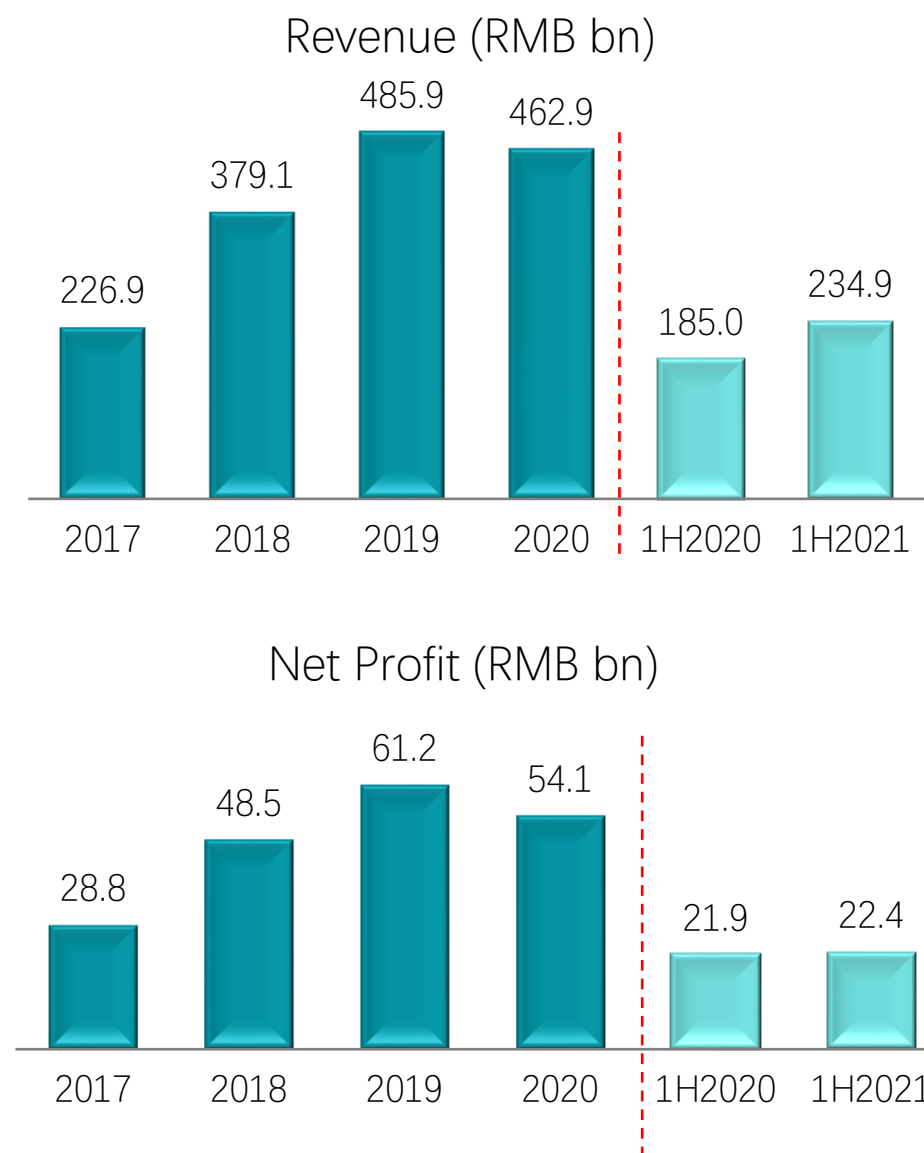
gross profit amounted to RMB**46.28** billion, up by **3.1%** YoY

net profit amounted to RMB**22.42** billion, increased by **2.3%** YoY

net profit margin was **9.5%**

core net profit attributable to owners of the Company amounted to RMB**15.22** billion, rose by **4.2%** YoY

# Profitability stabilized with continuing improvement



Notes :

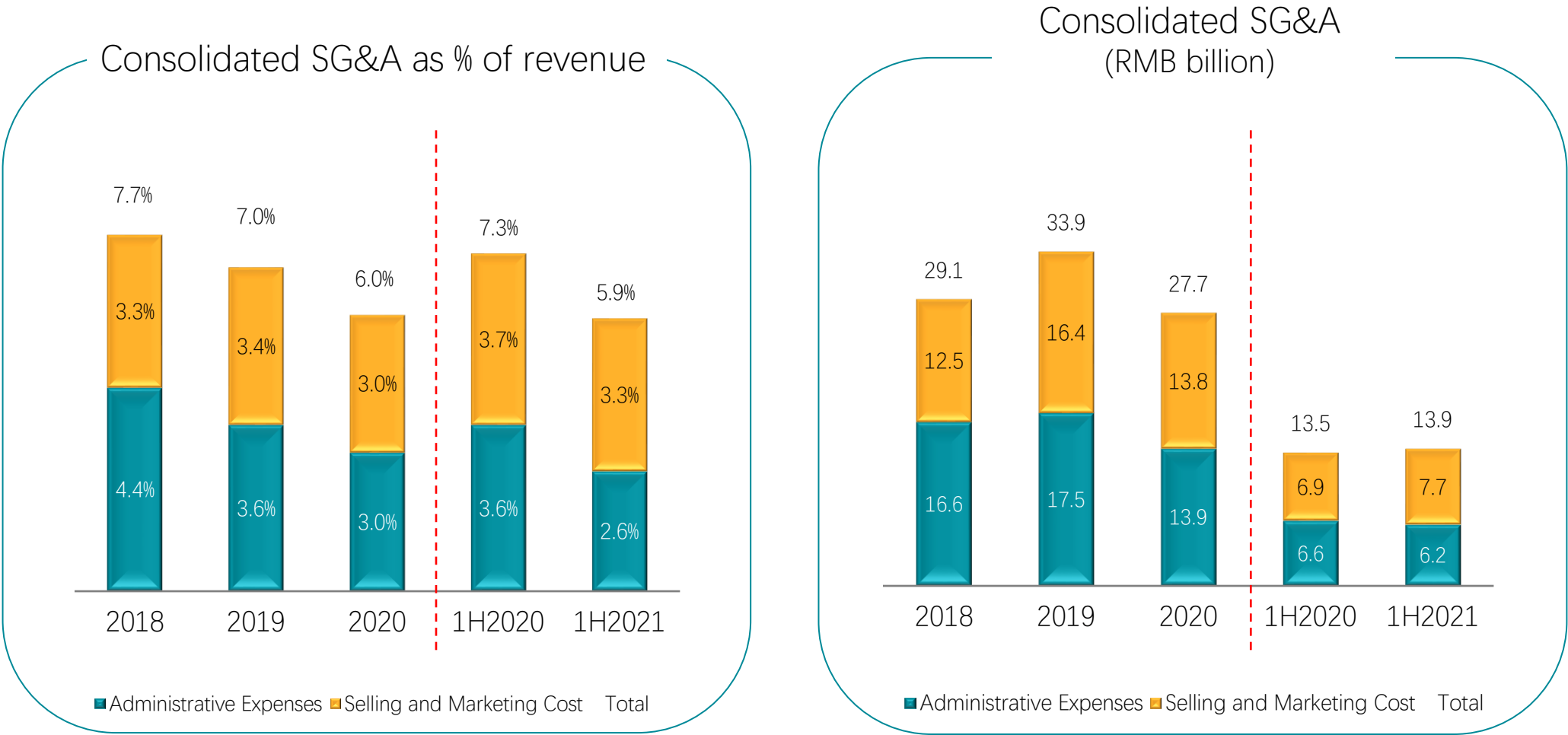
1. Before LAT

2. 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.

effective cost control  
with sustained impact

SG&A amounted for **5.9%** of revenue, dropped by **1.4** p.p. YoY

Effective cost control with sustained impact, improving quality and efficiency to enhance overall competitiveness



The Group continue to step up the control of SG&A expenses, which were 5.9% of revenue in 1H2021, down by 1.4 p.p. YoY. The total amount of SG&A expenses were RMB13.9 billion.





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 30 June 2021, the number of projects acquired in Mainland China<sup>1</sup> by the Group amounted to **3,127**, spanning across **296** municipal administrative regions in 31 provinces/autonomous regions/municipalities<sup>2</sup> and covering a total of 1,408 districts/countries.



South China Sea Islands

Notes :

1、 There are **30** projects outside Mainland China

2、 Municipal Administrative Region include prefecture-level cities、 prefecture、 autonomous prefecture、 league、 provincial-controlled division

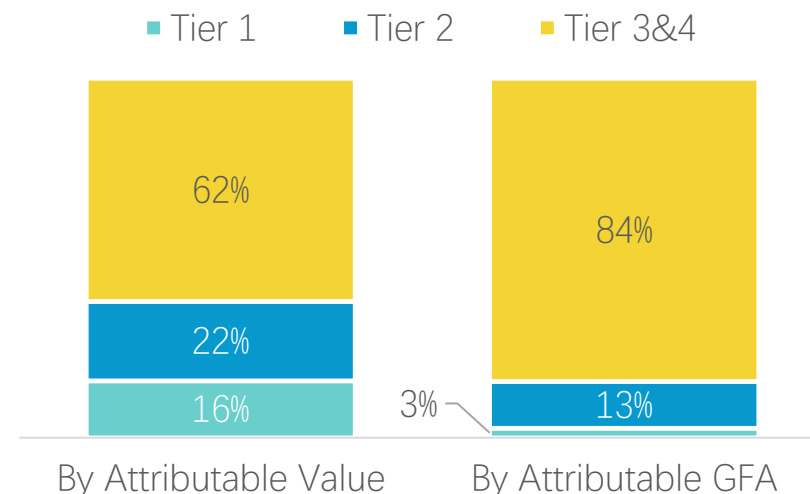
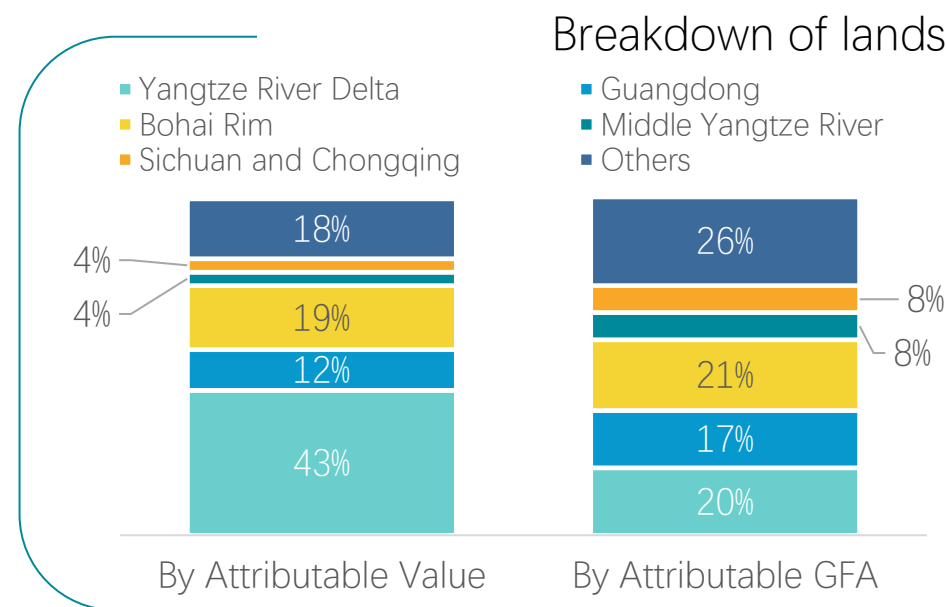
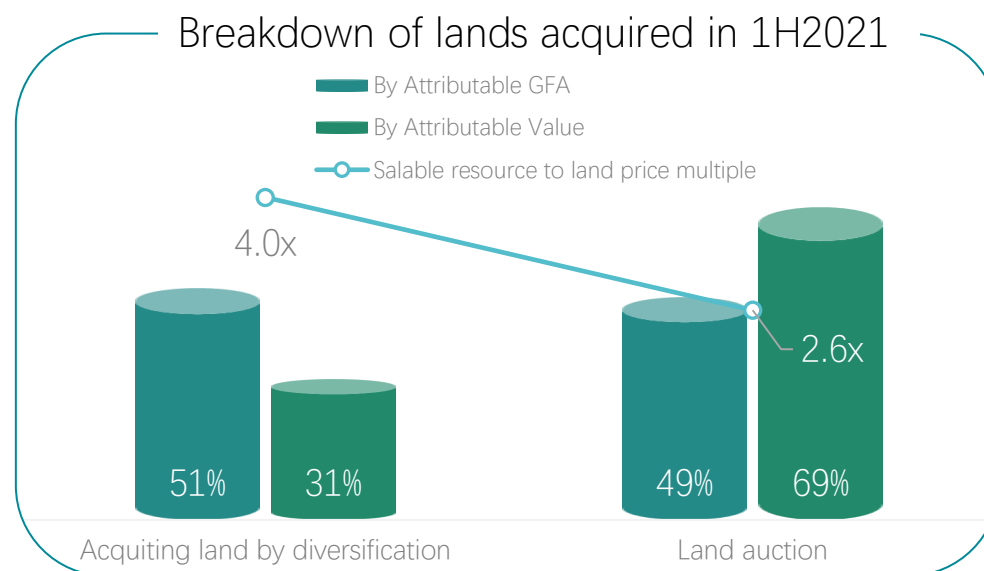
# Prudent investment and expansion, balanced distribution in all-tier cities

219  
Parcels of land

RMB88.4 bn  
Attri. value

rmb3,346/m<sup>2</sup>  
Cost per sq.m.

85%  
Attri. ratio



In 1H2021, COGARD acquired 219 parcels of land for a total attributable land premium of RMB88.4 billion. Specifically, it acquired 51% of attributable GFA via non-auction means has an averaged revenue-to-land-cost ratio of over 4.0x.

# Land acquisition from 1<sup>st</sup> batch of centralized land supply

14

Parcels of land  
acquired

17.1 bn

Attributable value

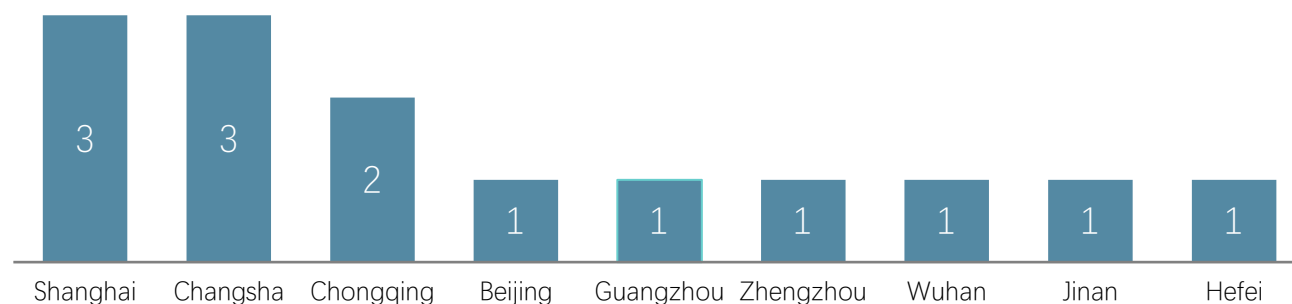
7%

Average premium  
rate

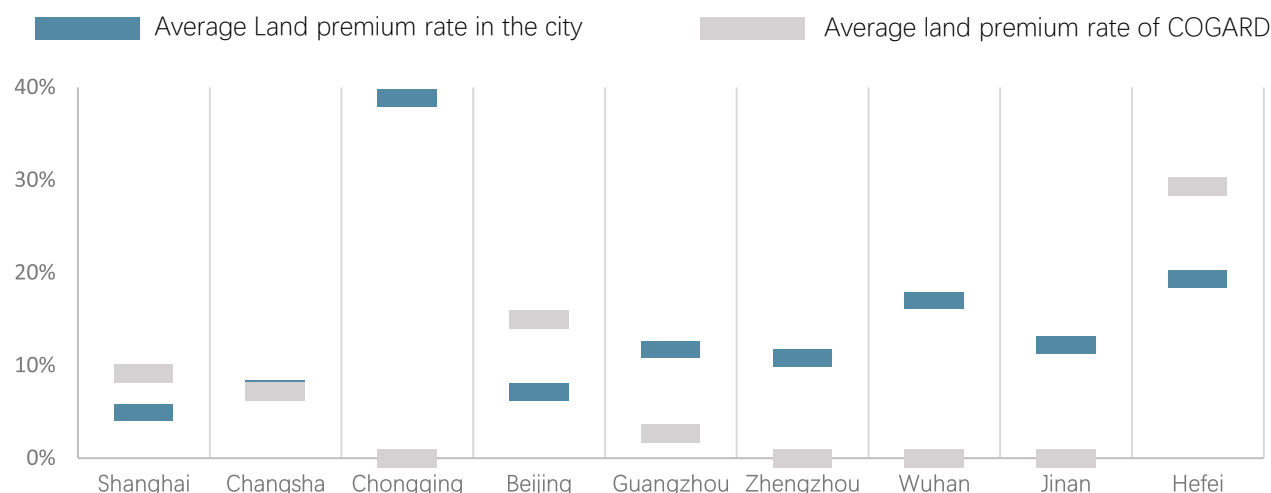
over 90%

Attributable ratio

Parcels of land acquired from  
centralized land supply in different cities

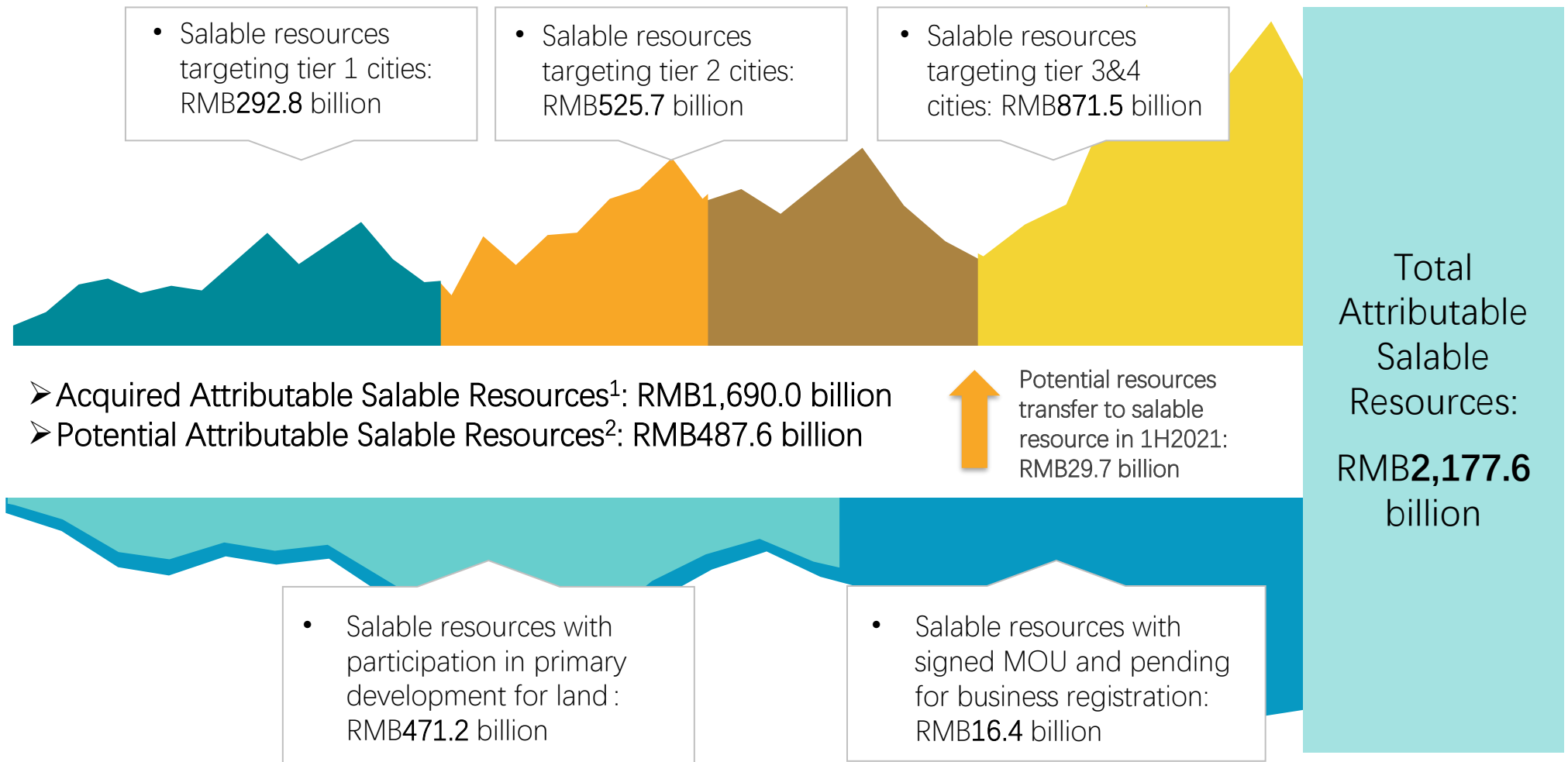


Land premium rates in different cities <sup>1</sup> Vs lands acquired by COGARD



COGARD acquired 14 parcels of land from the first batch of centralized land supply in 22 cities for a total attributable land cost of RMB17.1 billion. Several parcels were acquired at zero land premium rate with an averaged land premium rate of 7%. The quality of the land was above average.

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



## Notes:

1. As at 30 June 2021, attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio. Carparks are excluded.
2. Estimated potential attributable salable resources targeting Beijing, Shenzhen, Guangzhou, Foshan, Zhengzhou, Lanzhou and Guizhou are RMB454.5 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	278.0	16%
5-10	573.6	34%
3-5	584.0	35%
0.5-3	229.6	14%
<0.5	24.8	1%
Total	1,690.0	100%

Trend of migration	Attributable salable resources (RMB billion)	Contribution to total salable resources
Inflow	1,569.7	93%
Outflow	120.3	7%
Total	1,690.0	100%

City clusters	Attributable salable resources (RMB billion)	Contribution to total salable resources
<b>Top-five city clusters</b>	1251.9	74%
♦ Yangtze River Delta / Jiangsu, Zhejiang, Shanghai and Anhui	310.7	18%
♦ Guangdong	430.7	26%
♦ Bohai Rim/Beijing-Tianjin-Hebei-Liaoning-Shanxi-Shandong-Inner Mongolia Area	305.8	18%
♦ Middle Yangtze River / Hunan and Hubei	143.4	8%
♦ Sichuan and Chongqing	61.3	4%
<b>Others</b>		
♦ Henan	103.7	6%
♦ Hainan	70.6	4%
♦ Others	263.8	16%
<b>Total</b>	1,690.0	100%

As at 30 June 2021, among the salable resources, 99% are in regions with population of over 0.5 million, 93% are in regions featuring immigration, 74% are in top-five city clusters.

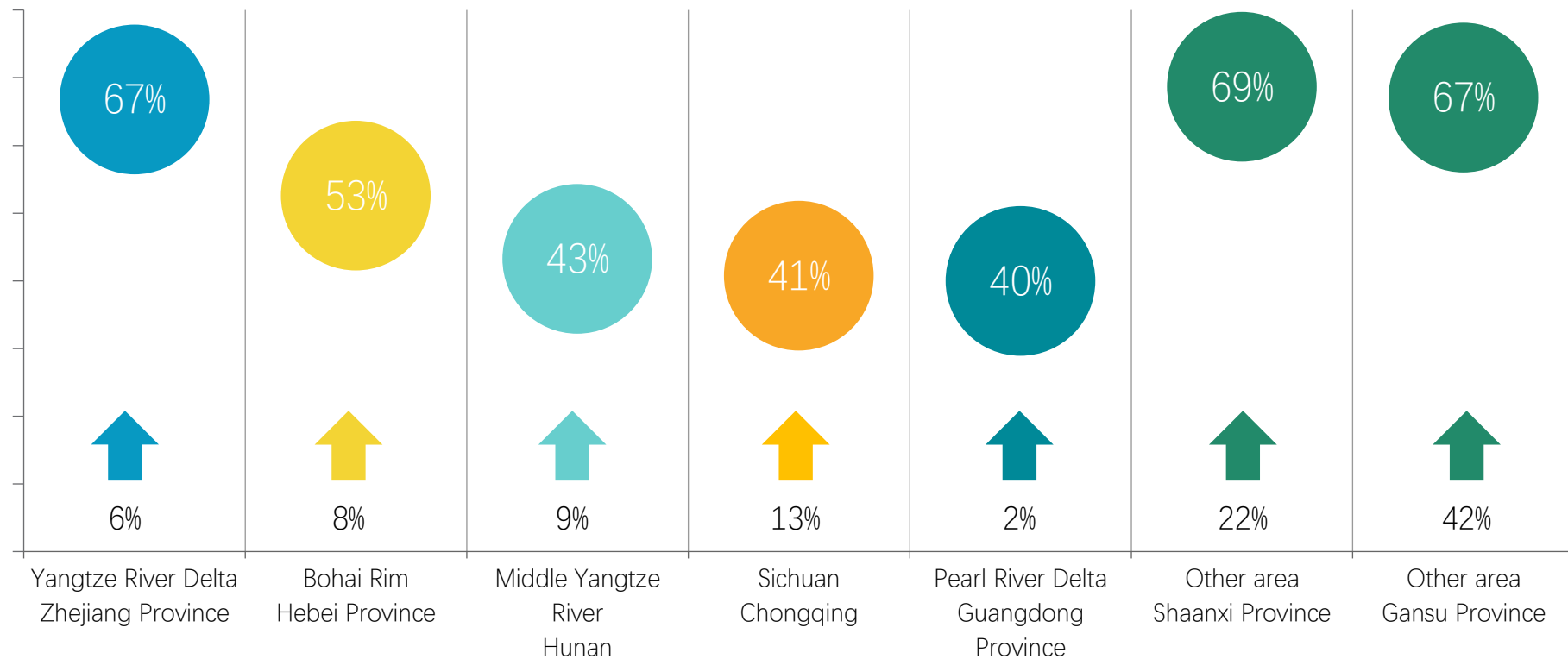
Note:

1. Salable resources refer to figures as at 30 June 2021. 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

# Quality of salable resources from the perspective of business operation: sell-through rates increase year by year

Sell-through rates<sup>1</sup> of salable resources at projects in representative provinces 12 months after acquisition

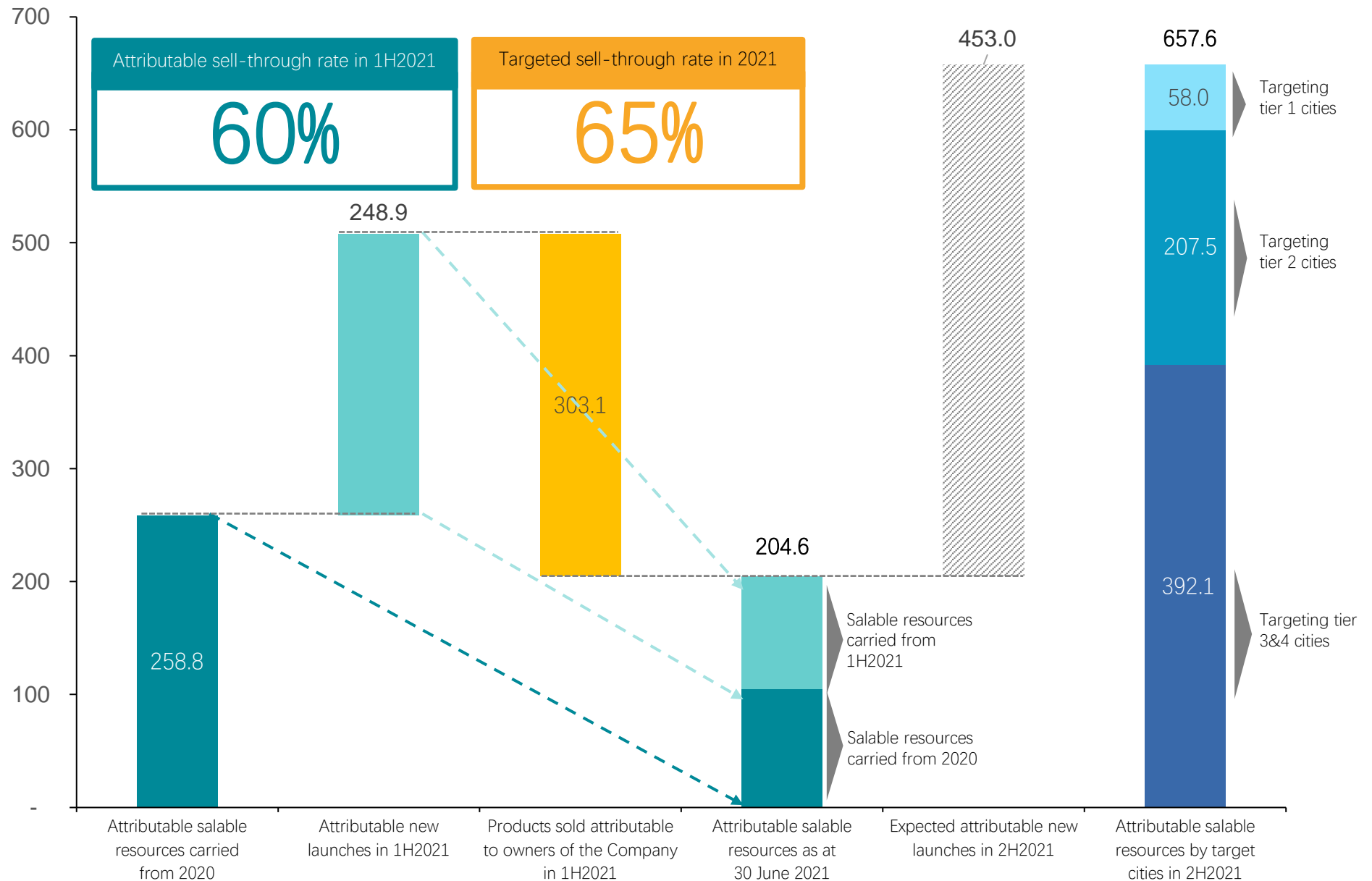
## Projects acquired 2019 and onwards Vs Projects in 2017-2018



The average sell-through rate of the salable resources acquired in 2019 onwards within 12 months of acquisition is 5% higher than those projects acquired in 2017-2018.

# Sufficient attributable salable resources in Mainland China in 2H2021

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



Note:

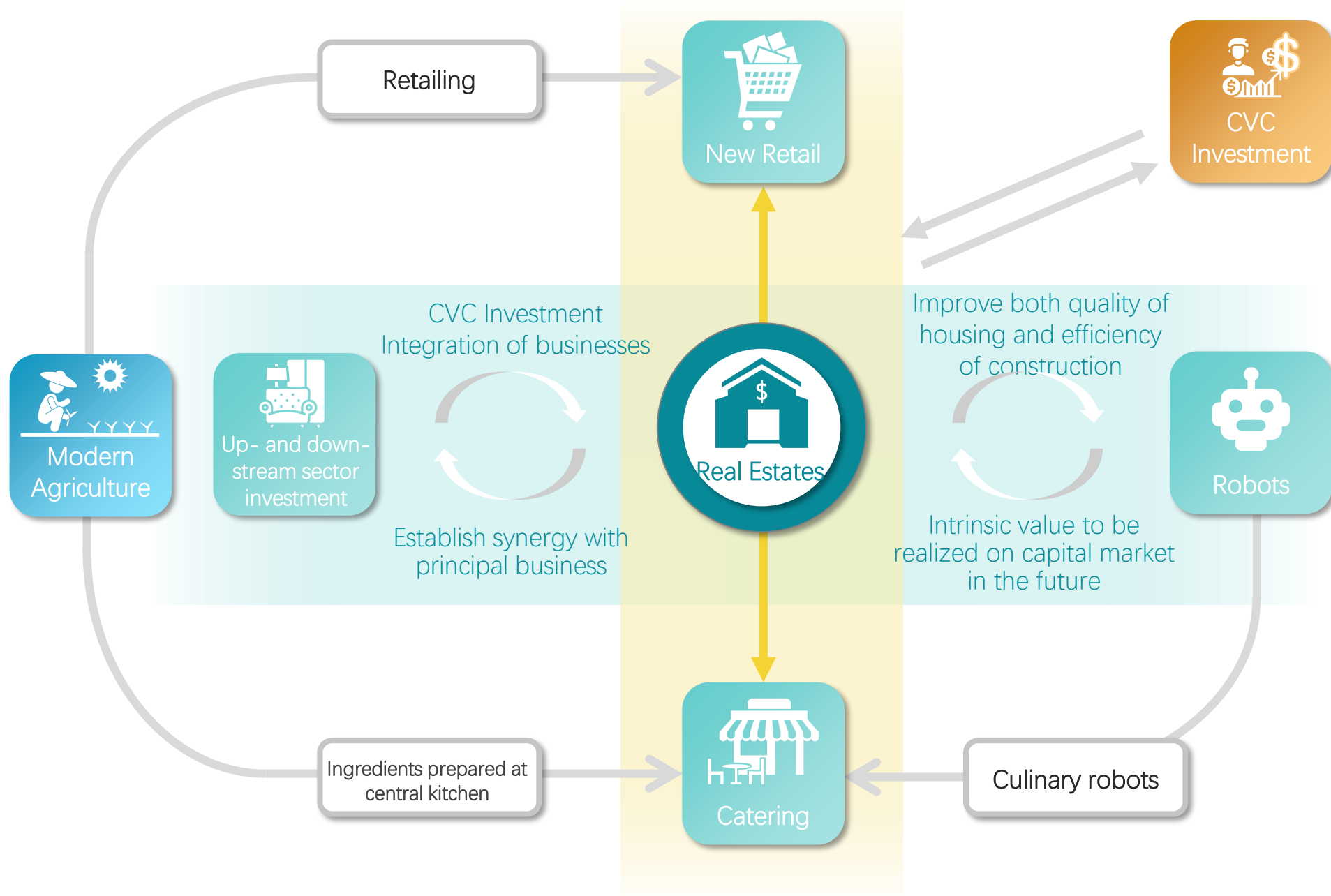
- Attributable salable resources are estimated by calculating expected ASP, expected GFA and attributable ratio. Completed but unsold or under construction unsold units with sales permit are also included in attributable salable resources.

# 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

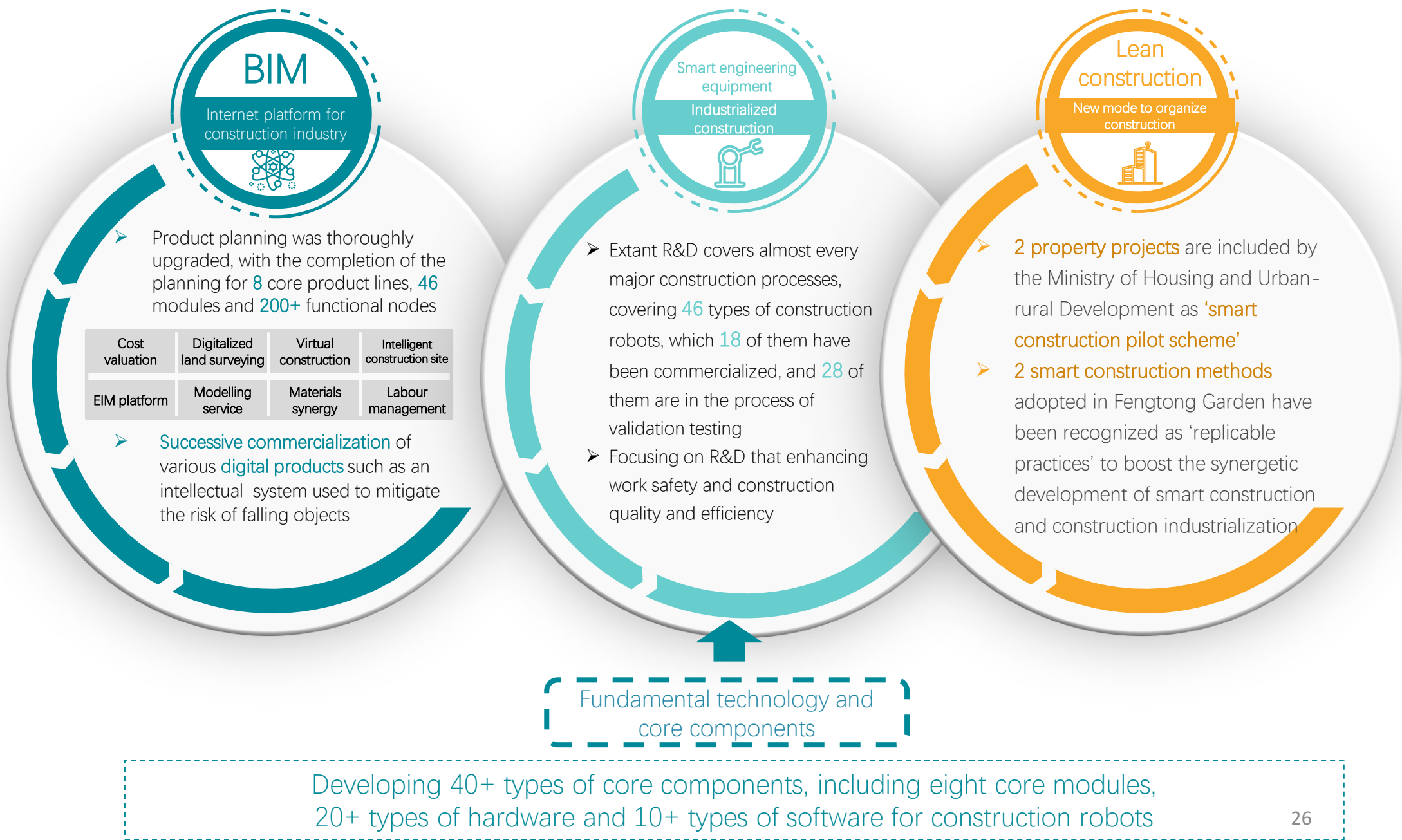


# construction robots

total solution provider for smart construction



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



# Application of smart construction system

## Application of lean construction

- ✓ Exploring the possibility of increasing efficiency and lowering cost via the **integration of construction robots to conventional process**
  - ✓ Solving persisting problems in property project management
- |         |                     |
|---------|---------------------|
| Quality | Construction period |
|---------|---------------------|
- ✓ Efficiency improvement about the application of **lean construction management systems** and **man-machine cooperation** throughout construction planning, scheduling and managing processes has been manifested in the pilot schemes.
  - ✓ The applications of “**popularizing surveying robots and intelligent surveying instruments**” and “**speeding up R&D of construction robots and intelligent construction machinery**” have been recognized as the first list of the “Replicable Practices of Attaining Synergistic Development of Smart Construction and New Construction Industrialization”

## Construction Robots

- ✓ A contractual sales of nearly 500 units construction robots, which ~300 of them have been delivered to ~70 projects, covering over 1 million m<sup>2</sup> site area in 14 provinces

### Applying construction robots in the company's cooperation with external parties

- |   |  |
|---|--|
| ■ China Construction Seventh Engineering Division. Corp.Ltd | ■ China Railway Construction Corporation Limited at Baiyuan Rail Station construction project in Guangzhou |
| ■ China Railway First Group Co. Ltd.                        | ■ China First Highway Engineering Company Ltd.   |
| ■ FuLi Construction Co. Ltd.                                | ■ China Southern Power Grid at a project in Zengcheng  |
| ■ BaoSheng Construction Co. Ltd.                            |  |
| ■ Guangxi Lugang Construction Group Co. Ltd.                |  |



Floor cleaning robot



Interior spraying robot



Ground grinding robot



Surveying robot



Intelligent concrete placing machine



Smart elevating platform

### Case study - China Railway Construction Corporation Limited's Baiyuan Rail Station construction project in Guangzhou

- ✓ Four models from the concrete-robotic product line were firstly debuted to China Railway Construction Corporation Limited, working with Baiyun Rail Station construction project (Guangzhou)



# culinary robots

providing solution for the upgrading of smart catering service

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

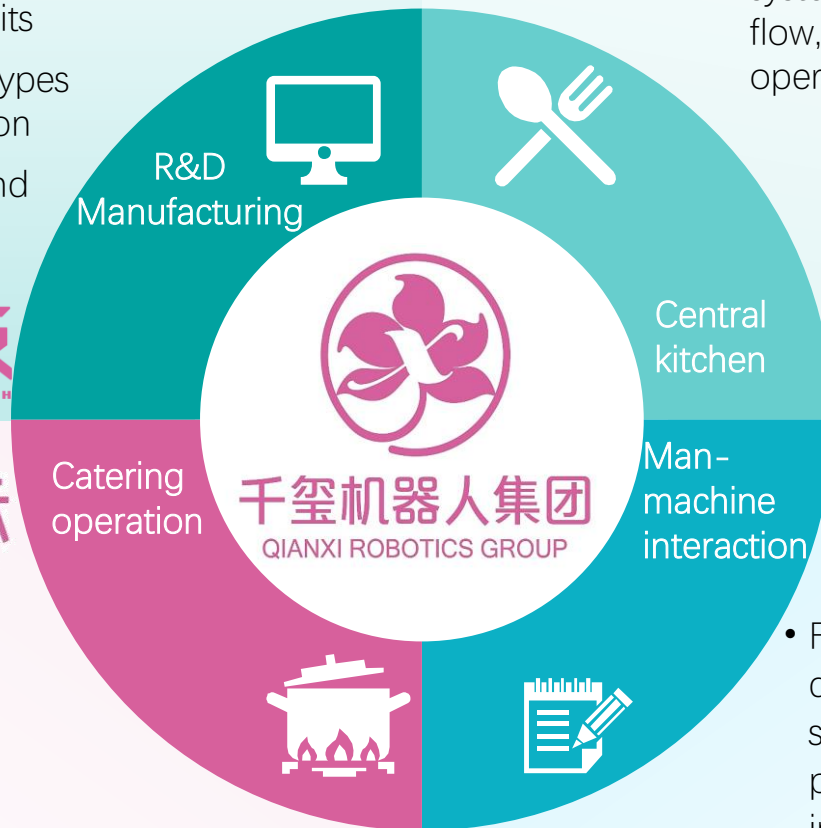
- Assembly plant with floor area of 85,000m<sup>2</sup>
- 13 production lines with an annual production capacity of 60,000 units
- Extant R&D on 80 products, 13 types of products are in mass production
- Applied for over 1,000 patents and over 500 were granted



- “6+1” business model, covering Chinese cuisine, hotpot, fast food, noodles, clay-pot rice and Sichuanese hotpot plus “intelligent catering machine”



六大品牌



- A smart food processing factory embeds advance technologies and intelligent systems to control the entire production flow, realizing “source-to-table” catering operation



广东优碧胜科技有限公司

- Focusing on man-machine interaction, we develop proprietary solutions along with sophisticated robotic design, covering two product lines: a service robots' family and an intelligent CS solution



Robots for collection of used cutlery

Robots for hotels

Robots for reception

Beverage serving robots



# Caring consumers' health in post-pandemic era, popularizing the application for various purposes

## Culinary robots assist in fight against pandemic



In June 2021, Qianxi assisted Liwan District (Guangzhou), delivering meals to 1,000 quarantined households, getting through "the last 100 meters" using culinary robots

## Commercialization of robots for various purposes

### Interaction between humans and machines

- Catering
- Hotels
- Government services
- Hospitals

### Solution for intelligent catering

- Via a de-engineering process to customize kitchen facility and software, offering traditional catering customized intelligent upgrade

### Deploying intelligent catering machines

- 95 robotic restaurants have been launched and operated, over 2,400 intelligent catering machines have been active across 28 provinces

## B2B facility co-development



Intelligent filling injection machine



Intelligent sieving machine

## Qianxi X Cultural tourism

Qianxi's catering robots have been deployed at over 100 tourist spots. Specifically, hundreds of machines has been deployed across ten Haichang Ocean Parks, our in-depth co-operation further explore the adoption of smart technology in tourist spots.



## Qianxi X High-speed rail station

Various types of culinary robots are in operation at the high-speed rail stations since December 2020.



## Qianxi X National-level exhibition centre

This year, Qianxi has debuted at Canton Fair Complex, and scheduled to gradually debut at Tianjiin National Exhibition center in October and the first half in 2022.



## Qianxi X High schools

Since July 2020, Qianxi has embarked on a charitable "Undergraduate Entrepreneurship" programme. Great success is achieved across many high school.

# m o d e r n   h o m e d e c o r a t i o n

aspiring to become the world's leading solution  
provider for home interior decoration



# Technology-enabled home decoration for good living

Zhaoqing,  
Xinyang,  
Chuzhou

3 production bases

Estimated investment  
of RMB6.7 bn

Construction of industrial  
parks

RMB25 bn

Expecting production  
capacity

48

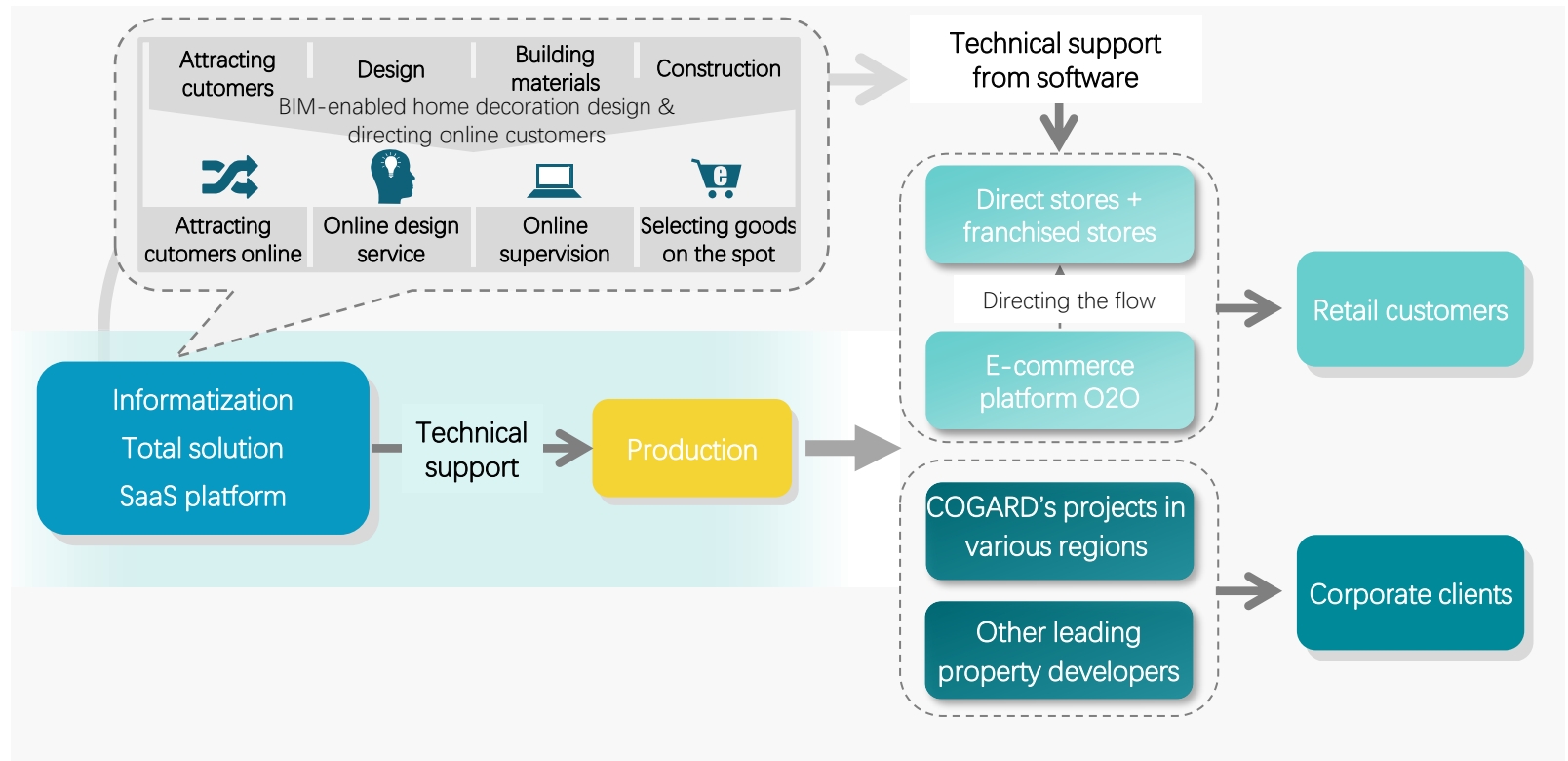
Production lines

3,000+

Projects at home  
and abroad

Serving 12 of the  
Top 30  
property developers

Market coverage



## Production base in Xinyang – Flexible manufacturing 4.0



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

Platform-based Agriculture

Building a platform-based agriculture business, starting with scientific research and ending with Biyouxuan to cover the entire value chain from upstream to downstream



## R&D

### Smart seeding cultivation business:

- ✓ Molecular breeding technology
- ✓ Genome editing technology

### Farming machinery and unmanned driving system:

- ✓ Intelligent tractor, harvesting machine, hydraulic flip plow, etc.
- ✓ core components for farming machine such as transmission unit
- ✓ Unmanned driving system and cloud-based dispatching management system

### Precision nutrition:

- ✓ Over 1,000 self-developed probiotics
- ✓ Genetic screening combined with intestinal adhesion



## Production

### "South Wuhan Seeding Project"

- ✓ Driven by "dual core" (breeding service platform affiliated to research institute, seeding company) and "double foundation" (seeding fund, seeding base)
- ✓ Comprehensive agricultural services providing integrated solutions covering seeds, soil fertilizers and nutrition

### Smart agriculture park:

- ✓ Large-scale unmanned farms covering cultivation, planting, management, harvesting and transportation
- ✓ Smart aquafarming

### R&D technology application:

- ✓ Probiotic nutritional intervention products



## Market

### Sales Channel:

- ✓ In 2021, Biyouxuan explores possibilities in Guangdong, Beijing, Shanghai, experimenting omni-channel retailing in using various modes of operation to breakthrough markets in different cities, aiming to have a nationwide market coverage



Technology-driven Agriculture

Strategic partnership with many onshore and offshore leading scientific institutions

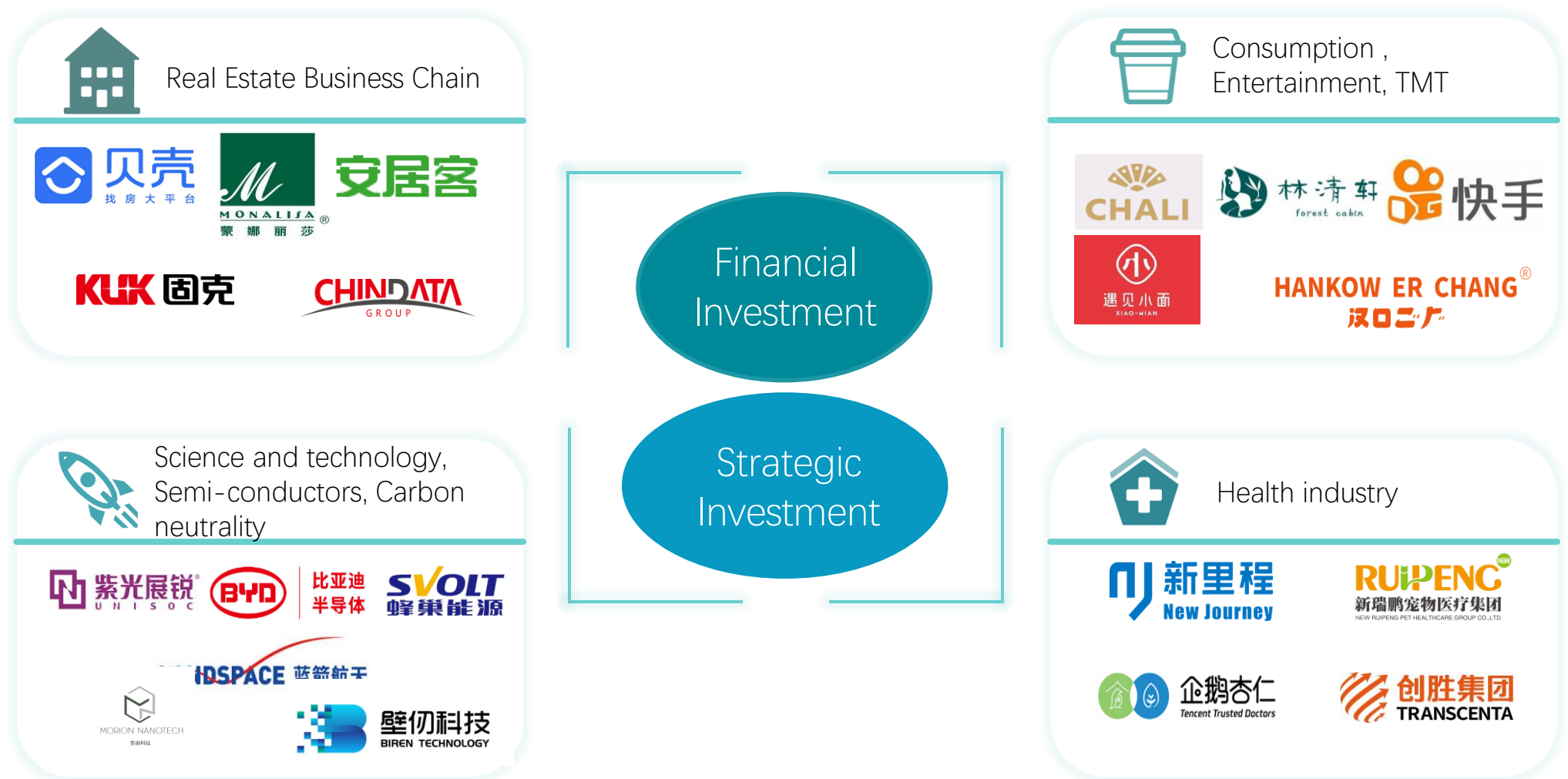
Global Agriculture

Actively participate in the "One Belt One Road" national strategy to promote the industrialization of hybrid rice in Madagascar and other countries in Africa

# venture capital investment

empowering businesses and creating value together

# Entering trillion dollar markets by investing along the businesses chains



Since its establishment two years ago, CGVC has now covered “VC-PE-Primary to secondary/secondary markets”, forming a multi-stage, multi-level investment portfolio with dedicated track. It has currently invested in more than 50 companies, among which 8 have gone public, and 8 have completed next fundraisings, with 45%<sup>2</sup> of the capital invested in advanced manufacturing, semiconductor and carbon neutral projects.

Notes:

1. As at 31 July 2021

2. Percentage of the total investment of Country Garden Venture Capital

# social responsibility

CG dedicates to commit in corporate philanthropy and further promotes common prosperity

Consolidating poverty alleviation results, contributing to rural revitalization and giving back to society



Alleviating poverty for  24 years 1997-2021	Targeted poverty alleviation programmes in 57 counties 16 provinces	Cumulative Donations over RMB 9.0 bn	Education charities cover 200,000+ students	Mr. Yeung Kwok Keung, Chairman of COGARD, awarded the honour of the "Champion of Poverty Alleviation"
	Direct beneficiary 490,000+		Accumulated sales of agricultural products from poor peasant over 300 mn	

奋斗 唯有 坚持 征途

Thank you for your confidence and support in Country Garden!