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)

ANNOUNCEMENT OF INTERIM RESULTS FOR SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB47.33 billion for the six months ended 30 June 2015, representing an increase of approximately 23.5% compared with the first six months of 2014. Revenue from property sales amounted to RMB45.50 billion, representing an increase of 23.0% compared with the first six months of 2014. Recognized GFA reached approximately 7.25 million sq.m., representing an increase of 35.6% compared with the first six months of 2014.

- Profit attributable to owners of the Company amounted to RMB4.93 billion. Basic earnings per share amounted to RMB23.34 cents. Core net profit[1] amounted to RMB4.88 billion.

- As at 30 June 2015, the Group's net gearing ratio[2] was 56.3%, representing a decrease of 0.7 percentage points compared with the end of 2014; the Group's weighted average borrowing cost as at 30 June 2015 was 7.07%, representing a decrease of 52 basis points compared with the end of 2014.

- For the six months ended 30 June 2015, the Group together with its joint venture and associates achieved contracted sales of approximately RMB54.47 billion with GFA of 8.45 million sq.m..

- For the six months ended 30 June 2015, the estimated total GFA of the Group's acquired land parcels was 7.55 million sq.m., and the total cost for the land purchases was approximately RMB8.02 billion.

[1] It represents profit attributable to owners of the Company excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase.

[2] It represents total debt net of available cash divided by total equity excluding perpetual capital securities.

- Since the beginning of 2015 to date, the Company has been accredited by the international credit rating agencies Standard & Poor's, Moody's and Fitch Ratings with BB+, Ba1 and BB+ credit ratings respectively. In the first half of 2015, the Company issued USD900 million senior notes with coupon rate of 7.5%.
- The Board declared an interim dividend of RMB6.48 cents per share, in the form of cash. The total dividend payout accounted for 30.0% of the total core net profit.

The board of directors (the "**Directors**") (the "**Board**") of Country Garden Holdings Company Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**Country Garden**") for the six months ended 30 June 2015.

BUSINESS REVIEW AND OUTLOOK

The Group generated a total revenue of RMB47.33 billion for the six months of 2015, representing an increase of approximately 23.5% compared with the first six months of 2014, of which revenue from property development segment was approximately RMB45.50 billion, representing an increase of approximately 23.0% compared with the first six months of 2014. Gross profit before the land appreciation tax amounted to approximately RMB10.97 billion, representing an increase of approximately 0.2% compared with the first six months of 2014. Profit attributable to owners of the Company amounted to approximately RMB4.93 billion. The Group's core net profit amounted to RMB4.88 billion, representing an increase of approximately 3.6% compared with the first six months of 2014. Basic earnings per share amounted to RMB23.34 cents.

The Board declared an interim dividend of RMB6.48 cents per share. The total dividend payout accounted for 30.0% of the total core net profit.

In the first half of 2015, the Group, together with its joint venture and associates, achieved contracted sales of approximately RMB54.47 billion, with gross floor area ("GFA") of 8.45 million sq.m.. The cash collection of the Group's contracted sales reached approximately RMB49.6 billion. This further strengthens the Group's position as the largest residential property developer focusing on urbanization in China.

Regarding target markets, approximately 50% of the Group's sales was contributed from the projects targeting Tier 1 and 2 cities, and the remaining 50% was from projects targeting Tier 3 and 4 cities. With the enhanced and optimized project acquisition, product positioning and marketing capabilities, together with a range of innovative measures of the Group including the expansion on the internet platform, the sales volume increased, and the inventory level showed further decline with further increase of the sell-through rate.

In respect of financial management, the Group strictly pursued its budget control, and by implementing various capital structure optimizing mechanisms, such as liquidizing the existing assets and expanding financing channels, the Group further reduced its financing costs to support solid operations and sustainable development. The Group issued senior notes during the first half of 2015 of USD900 million with 5 years tenor and 7.5% coupon rate, which recorded 5 times oversubscription. As at 30 June 2015, the Group's available cash amounted to RMB27.22 billion, accounting for about 9.4% of its total assets, while the net gearing ratio was 56.3%, down by 0.7 percentage points from 57.0% as at 31 December 2014. As at 30 June 2015, the Group's weighted average borrowing cost was 7.07%, representing a decrease of 52 basis points from 7.59% as at 31 December 2014. The sound financial position of the Group was well recognized by the capital market. Since the beginning of 2015, Fitch Ratings upgraded the Group's rating from BB+ (stable outlook) to BB+ (positive outlook), and Moody's upgraded the Group's rating from Ba2 to Ba1 (stable outlook). Moreover, Standard & Poor's upgraded our credit ratings twice in the previous year, with our corporate credit rating rising from BB to BB+ (stable outlook) and bond credit rating rising from BB- to BB+. There is no doubt that Country Garden has become the non-state owned residential property developer with the highest international credit rating in China. In addition, Country Garden will continue to make the best use of capital markets both domestically and overseas: as for domestic capital market, Zengcheng Country Garden Property Development Co., Ltd., a wholly-owned subsidiary of the Group, issued domestic corporate bonds of total RMB6 billion in two tranches with terms of three years to qualified investors. The two tranches of bonds with principal amount of RMB3 billion each were priced on 31 July 2015 and 11 August 2015 respectively at the same coupon rate of 4.2% per annum. The costs of this issuance of domestic corporate bonds hit a record low in the bond issuance history and domestic financing history of the Group. Its interest rates also broke the lowest record of the initial issuance of corporate bond by red chips real estate companies. As for offshore capital market, as at 31 July 2015, the Group has taken out a four-year HKD/USD dual tranche syndicated loan of an amount equivalent to USD800 million with annual interest rate of HIBOR/LIBOR +3.10%, and integrated financing cost of HIBOR/LIBOR +3.80% from 12 Chinese, Hong Kong and European banks. It is the biggest bank loan ever taken out by the Group with the lowest interest rate among the loans of the same tenure and with the largest number of banks underwriting it. It was also the largest syndicated loan taken out by a non-state owned Chinese residential property developer in the international syndicated loan market with the largest number of banks underwriting it in the first half of 2015. In the future, it is expected that the finance costs of the Group will be continually lowered, which is conducive to the Group's sound financial position.

During the period, the Group successfully introduced Ping An as a strategic investor to further improve its shareholding structure and raised an amount of approximately HKD6.3 billion, to be applied for the Company's development and general working capital purpose. Close partnership between both parties has commenced in four main aspects, namely financing, investment, marketing, and community business, to perfect the property industry chain by consolidating community resources and to facilitate the profit maximization for both parties. Currently, the strategic partnership of both parties is deepening.

Property management and community business are going to be the Group's potential profit driver, and Country Garden is committed to widen the business scope for the future of the real estate industry by tapping into community business. As at 30 June 2015, the Group's property management services covered 274 projects with contracted area of approximately 122 million sq.m., of which the area under the management of property management team were 77.01 million sq.m., and the remaining area was to be delivered. Altogether the Group served approximately 420 thousand households of owners and residents in China. During the period, revenue from the Group's property management business was approximately RMB905 million, representing an increase of 86.1% compared with the first six months of 2014. The Group may in future utilize capital market to reinforce income source diversification, sustainable development, and value enhancement.

The Group's hotel business continued to facilitate project acquisition and sales. As at 30 June 2015, the Group operated 41 five-star or five-star standard hotels and 4 four-star or four-star standard hotels, with a total of 12,571 guest rooms. In the first half of 2015, revenue from the hotels was approximately RMB611 million, representing an increase of 47.9% compared with the first six months of 2014. Most of the Group's hotels are located within the community development projects. Country Garden will focus on increasing the capital market value and investment returns of the hotel assets.

As one of the organic components of the Group's vertically integrated industrial value chain, construction, fitting and decoration segment generated revenue of approximately RMB6,940 million in the first half of 2015, of which approximately RMB262 million was derived from sales to external customers. The close coordination and cooperation between the construction, fitting and decoration segment and property development segment enhanced the Group's core competitiveness including cost control, progress supervision, and capital allocation optimization.

Meanwhile, the Group is committed to enhance the value of its commercial properties. As at 30 June 2015, the total GFA of the Group's investment properties was approximately 967 thousand sq.m., with a fair value of approximately RMB7.95 billion. Of which, 833 thousand sq.m. of GFA were completed with a fair value of approximately RMB6.85 billion. During the period, the rental income from the investment properties amounted to approximately RMB47.34 million.

In terms of human resources, the Group has put in more efforts in headhunting and training. The Group introduced a large number of highly educated talents with cross-industries background for the establishment of a complete human resources system. As of 30 June 2015, more than 200 staff members have joined the management internship program, which is in place to train them into high-caliber and well-rounded industrial talents, who will become the mainstay of the Group in future. Furthermore, the Group's strong legal team will continue to safeguard Country Garden against various exposures.

In order to adapt to the ever-changing market, the Group established the partnership scheme, which strengthened internal control and enabled constant development breakthroughs. Through the sharing of investment, risks and income between core management and shareholders of the Company, solid support contributed to Country Garden's results and efficiency. Since October 2014, 45 projects have been implemented with this partnership scheme successfully. The Board believes that, with the implementation of the partnership scheme, the Group's management structure and operations will continue to be enhanced. In future, the partnership scheme will be expanded into other business units related to property development for their promotion.

To become a blue-chip company, it is necessary for Country Garden to maintain a steady operation. Country Garden will also further emphasize cost and risk control to safeguard the net operating cash flows and solid operation. In future, Country Garden will leverage on various financing measures to strengthen or consolidate different community-related businesses in the property industry chain, to improve the platform for community resources consolidation, and to build an industry chain that covers different stages of life cycles, with an aim of unleashing the value of the Group's assets. In the current of urbanization, the colleagues of the Group will continue to actively explore the new opportunities arising from property-related sectors under the new norm, striving for the best results and returns for the shareholders.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited 30 June 2015** *RMB'000*	Audited 31 December 2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**18,734,907**	18,642,518
Investment properties		**7,945,217**	7,035,579
Intangible assets		**25,384**	29,247
Land use rights		**2,032,891**	2,034,522
Properties under development		**41,847,032**	44,638,652
Investments in associates		**34,262**	34,492
Investment in a joint venture		**9,926**	21,374
Available-for-sale financial assets		**205,360**	208,667
Deferred income tax assets		**3,083,697**	2,770,111
		73,918,676	75,415,162
Current assets			
Properties under development		**122,926,142**	105,993,980
Completed properties held for sale		**23,351,910**	23,203,236
Inventories		**2,377,060**	2,095,143
Trade and other receivables	*4*	**28,821,552**	25,370,902
Prepaid taxes		**9,944,482**	8,739,706
Restricted cash		**10,054,096**	8,453,490
Cash and cash equivalents		**17,164,167**	18,760,590
Derivative financial instruments		**1,650**	–
		214,641,059	192,617,047
Current liabilities			
Advanced proceeds received from customers		**96,736,970**	91,792,491
Trade and other payables	*5*	**42,899,029**	40,924,965
Dividend payable	*11*	**3,333,127**	–
Income taxes payable		**8,854,583**	8,976,132
Senior notes		**2,543,500**	2,538,757
Bank and other borrowings		**16,825,236**	12,390,679
Derivative financial instruments		**22,065**	–
		171,214,510	156,623,024
Net current assets		**43,426,549**	35,994,023
Total assets less current liabilities		**117,345,225**	111,409,185

	Note	Unaudited 30 June 2015 RMB'000	Audited 31 December 2014 RMB'000
Non-current liabilities			
Senior notes		**19,700,698**	19,735,005
Bank and other borrowings		**25,498,488**	26,404,258
Deferred government grants		**239,520**	239,520
Deferred income tax liabilities		**2,881,678**	2,587,976
		48,320,384	48,966,759
Equity attributable to owners of the Company			
Share capital and premium	6	**29,212,611**	24,262,047
Other reserves		**4,256,721**	4,243,448
Retained earnings		**29,777,426**	28,180,710
		63,246,758	56,686,205
Non-controlling interests			
Perpetual capital securities		**2,690,000**	3,090,000
Other non-controlling interests		**3,088,083**	2,666,221
		5,778,083	5,756,221
Total equity		**69,024,841**	62,442,426
Total equity and non-current liabilities		**117,345,225**	111,409,185

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 June **2015** ***RMB'000***	 2014 *RMB'000*
Revenue		**47,327,574**	38,323,221
Cost of sales		**(36,352,962)**	(27,371,772)
Gross profit		**10,974,612**	10,951,449
Other income and gains – net	*7*	**103,144**	52,502
Gains arising from changes in fair value of and transfer to investment properties		**467,008**	1,243,646
Selling and marketing costs		**(1,641,160)**	(1,788,279)
Administrative expenses		**(1,307,346)**	(1,523,248)
Operating profit		**8,596,258**	8,936,070
Finance income	*8*	**74,491**	136,816
Finance costs	*8*	**(386,808)**	(295,499)
Finance costs – net		**(312,317)**	(158,683)
Share of results of associates and a joint venture		**(16,678)**	(13,252)
Profit before income tax		**8,267,263**	8,764,135
Income tax expenses	*9*	**(2,894,721)**	(3,165,370)
Profit for the period		**5,372,542**	5,598,765
Profit attributable to:			
– Owners of the Company		**4,929,843**	5,423,210
– Non-controlling interests			
Perpetual capital securities		**167,198**	35,296
Other non-controlling interests		**275,501**	140,259
		442,699	175,555
		5,372,542	5,598,765

	Note	Unaudited Six months ended 30 June 2015 RMB'000	2014 RMB'000
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
– Revaluation gains on properties upon transfer from property, plant and equipment and land use rights to investment properties, net of tax		**–**	1,429,657
Items that may be reclassified to profit or loss:			
– Currency translation differences		**(5,740)**	462
– Change in fair value of available-for-sale financial assets, net of tax		**(3,307)**	4,420
Other comprehensive (loss)/income for the period, net of tax		**(9,047)**	1,434,539
Total comprehensive income for the period, net of tax		**5,363,495**	7,033,304
Total comprehensive income attributable to:			
– Owners of the Company		**4,923,115**	6,863,482
– Non-controlling interests			
Perpetual capital securities		**167,198**	35,296
Other non-controlling interests		**273,182**	134,526
		440,380	169,822
		5,363,495	7,033,304
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
Basic	*10*	**23.34**	29.11
Diluted	*10*	**23.34**	29.11

	Note	2015 RMB'000	2014 RMB'000
Dividends			
Interim dividend	*11*	**1,463,704**	–

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim Financial Reporting'. This interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014 ("2014 Financial Statements"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants.

Significant accounting policies

Except as described below, the accounting policies applied are consistent with those of the 2014 Financial Statements, as described therein.

(i) Amendments and interpretations to existing standards that are effective for the financial year beginning on 1 January 2015 do not have a material impact on or are not relevant to the Group.

(ii) New and revised standards and amendments to existing standards have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted:

		Effective for the financial year beginning on or after
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
Annual improvements 2014	Annual improvements projects	1 July 2016
HKFRS15	Revenue from Contracts with Customers	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018

The Group is yet to assess the impact of the above new and revised standards and amendments to existing standards on the Group's consolidated financial statements.

(iii) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other income and gains – net'. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within 'other income and gains – net'.

(iv) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

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

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unaudited				
At 30 June 2015				
Assets				
Available-for-sale financial assets	–	–	205,360	205,360
Derivative financial instruments	–	1,650	–	1,650
Total	–	1,650	205,360	207,010
Liabilities				
Derivative financial instruments	–	22,065	–	22,065
Audited				
At 31 December 2014				
Assets				
Available-for-sale financial assets	–	–	208,667	208,667

There were no changes in valuation techniques used to derive level 3 fair values.

The following table presents the changes in level 3 instruments for the period ended 30 June 2015 and the year ended 31 December 2014:

	2015	2014
	RMB'000	*RMB'000*
Opening balance	**208,667**	206,329
Fair value change	**(3,307)**	2,338
Closing balance	**205,360**	208,667
Dividend income recognised in "other income and gains – net"	**9,560**	6,100

Valuation techniques used to derive level 2 fair values

Level 2 hedging derivatives comprise forward foreign exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

3 SEGMENT INFORMATION

The executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The executive Directors has determined the operating segments based on these reports.

The executive Directors consider the business from product perspective. From a product perspective, executive Directors assess the performance of:

- Property development;
- Construction, fitting and decoration;
- Property investment;
- Property management; and
- Hotel operation.

The executive Directors assess the performance of the operating segments based on a measure of operating profit.

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, investment properties, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude deferred income tax assets, available-for-sale financial assets and derivative financial instruments. Segment liabilities consist primarily of operating liabilities. They exclude bank and other borrowings, senior notes, deferred income tax liabilities, income taxes payable, dividend payable and derivative financial instruments.

Capital expenditure comprises additions to property, plant and equipment, land use rights, investment properties and intangible assets.

Revenue consists of the following:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sales of properties	**45,502,636**	37,007,550
Rendering of construction, fitting and decoration services	**261,870**	370,766
Rental income	**47,339**	45,696
Rendering of property management services	**904,824**	486,157
Rendering of hotel services	**610,905**	413,052
	47,327,574	38,323,221

Sales between segments are carried out according to the terms and conditions agreed by both parties.

The Group's entire revenue is 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 5% or more of the Group's revenue.

The segment information provided to the executive Directors for the reportable segments is as follows:

	Property development *RMB'000*	**Construction, fitting and decoration** *RMB'000*	**Property investment** *RMB'000*	**Property management** *RMB'000*	**Hotel operation** *RMB'000*	**Total Group** *RMB'000*
Six months ended 30 June 2015						
Total revenue	**45,502,636**	**6,940,125**	**47,339**	**1,149,379**	**636,971**	**54,276,450**
Inter-segment revenue	**–**	**(6,678,255)**	**–**	**(244,555)**	**(26,066)**	**(6,948,876)**
Revenue (from external customers)	**45,502,636**	**261,870**	**47,339**	**904,824**	**610,905**	**47,327,574**
Depreciation and amortisation	**214,599**	**15,235**	**–**	**8,881**	**179,838**	**418,553**
Operating profit/(loss)	**8,005,664**	**99,791**	**536,101**	**82,431**	**(127,729)**	**8,596,258**
At 30 June 2015						
Total segment assets after elimination of inter-segment balances	**256,526,702**	**6,254,738**	**7,945,217**	**1,208,636**	**13,333,735**	**285,269,028**
Capital expenditure	**318,575**	**4,635**	**251,311**	**4,355**	**316,484**	**895,360**
Total segment liabilities after elimination of inter-segment balances	**131,691,187**	**6,210,167**	**5,350**	**1,305,053**	**663,762**	**139,875,519**

	Property development *RMB'000*	Construction, fitting and decoration *RMB'000*	Property investment *RMB'000*	Property management *RMB'000*	Hotel operation *RMB'000*	Total Group *RMB'000*
Six months ended 30 June 2014						
Total revenue	37,007,550	8,238,540	45,696	486,157	456,167	46,234,110
Inter-segment revenue	–	(7,867,774)	–	–	(43,115)	(7,910,889)
Revenue (from external customers)	37,007,550	370,766	45,696	486,157	413,052	38,323,221
Depreciation and amortisation	181,278	14,400	15,214	5,389	166,737	383,018
Operating profit/(loss)	7,686,712	70,904	1,277,945	31,949	(131,440)	8,936,070
At 31 December 2014						
Total segment assets after elimination of inter-segment balances	235,028,152	8,607,178	7,035,579	1,499,951	12,882,571	265,053,431
Capital expenditure	1,926,777	27,023	–	17,660	3,172,700	5,144,160
Total segment liabilities after elimination of inter-segment balances	124,665,546	6,616,117	–	1,029,748	645,565	132,956,976

As at 30 June 2015, segment assets of the property development segment included the amounts of investments in associates and a joint venture accounted for using the equity method totalling RMB44,188,000 (31 December 2014: RMB55,866,000).

Reportable operating profits are reconciled to profit for the period as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Total operating profit	**8,596,258**	8,936,070
Finance costs – net	**(312,317)**	(158,683)
Share of results of associates and a joint venture	**(16,678)**	(13,252)
Profit before income tax	**8,267,263**	8,764,135
Income tax expenses	**(2,894,721)**	(3,165,370)
Profit for the period	**5,372,542**	5,598,765

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

	30 June	31 December
	2015	2014
	RMB'000	*RMB'000*
Total segment assets after elimination of inter-segment balances	**285,269,028**	265,053,431
Deferred income tax assets	**3,083,697**	2,770,111
Available-for-sale financial assets	**205,360**	208,667
Derivative financial instruments	**1,650**	–
Total assets	**288,559,735**	268,032,209
Total segment liabilities after elimination of inter-segment balances	**139,875,519**	132,956,976
Dividend payable	**3,333,127**	–
Deferred income tax liabilities	**2,881,678**	2,587,976
Income taxes payable	**8,854,583**	8,976,132
Bank and other borrowings	**42,323,724**	38,794,937
Senior notes	**22,244,198**	22,273,762
Derivative financial instruments	**22,065**	–
Total liabilities	**219,534,894**	205,589,783

4 TRADE AND OTHER RECEIVABLES

	30 June 2015 RMB'000	31 December 2014 RMB'000
Trade receivables *(note)*	**9,694,399**	8,690,063
Land auction deposits	**2,431,261**	1,842,727
Other receivables	**5,241,169**	5,180,300
Amount due from an associate	**2,439,745**	2,039,745
Amounts due from customers for contract work	**1,300,663**	1,269,592
Prepayments for land	**3,456,294**	3,280,822
Amount due from a joint venture	**304,612**	304,612
Other prepayments	**3,953,409**	2,763,041
	28,821,552	25,370,902

Note:

Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months for the date of delivery of the properties, with the ownership documents retained by the Group until all amounts are collected. The ageing analysis of trade receivables based on revenue recognition date is as follows:

	30 June 2015 RMB'000	31 December 2014 RMB'000
Within 90 days	**8,240,292**	7,399,889
Over 90 days and within 180 days	**698,889**	640,911
Over 180 days and within 365 days	**407,150**	436,609
Over 365 days	**348,068**	212,654
	9,694,399	8,690,063

At 30 June 2015 and 31 December 2014, trade receivables were denominated in RMB.

5 TRADE AND OTHER PAYABLES

	30 June 2015 RMB'000	31 December 2014 RMB'000
Trade payables *(note)*	**28,838,017**	26,875,334
Other payables	**9,206,348**	7,813,785
Other taxes payable	**1,654,235**	2,223,947
Salaries payable	**2,798,268**	3,491,833
Accrued expenses	**402,161**	520,066
	42,899,029	40,924,965

Note:

The ageing analysis of trade payables is as follows:

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Within 90 days	**26,486,954**	25,106,015
Over 90 days and within 180 days	**902,872**	740,388
Over 180 days and within 365 days	**461,674**	510,070
Over 365 days	**986,517**	518,861
	28,838,017	26,875,334

6 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**	**Share premium**	**Treasury shares**	**Total**
		HKD'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Authorised						
At 1 January 2014, 31 December 2014 and 30 June 2015, HKD0.10 per share	100,000,000,000	10,000,000				
Issued and fully paid:						
At 1 January 2014	18,457,534,177	1,845,753	1,789,737	18,759,518	(380,236)	20,169,019
Issue of shares as a result of the scrip dividend scheme	622,296,869	62,230	49,398	1,542,203	–	1,591,601
Issue of shares as a result of the Rights Issue	1,271,988,736	127,199	100,869	2,400,558	–	2,501,427
At 31 December 2014 and 1 January 2015	20,351,819,782	2,035,182	1,940,004	22,702,279	(380,236)	24,262,047
Issue of shares *(note (a))*	2,236,200,000	223,620	176,861	4,773,703	–	4,950,564
At 30 June 2015	22,588,019,782	2,258,802	2,116,865	27,475,982	(380,236)	29,212,611

(a) On 20 April 2015, the Company issued 2,236,200,000 new shares to Ping An Life Insurance Company of China, Ltd. The issued shares represent 10.99% of the Company's then existing issued share capital and 9.90% of the Company's issued share capital as enlarged by the above subscription. The issue price per share was HKD2.816, which was arrived at after arm's length negotiations between the subscriber and the Company and after having considered the market price of the shares before the transaction date.

7 OTHER INCOME AND GAINS-NET

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Income from forfeiture of deposits	**14,223**	33,781
Gains on disposal of property, plant and equipment	**2,990**	1,407
Gains on disposal of investment properties	**22,092**	–
Change in fair value of derivative financial instruments	**(20,415)**	–
Gains on bargain purchase	**65,361**	–
Dividend income from available-for-sale financial assets	**9,560**	–
Others	**9,333**	17,314
	103,144	52,502

8 FINANCE COSTS-NET

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance income:		
– Interest income on short-term bank deposits	**74,491**	136,816
Finance costs:		
– Interest expenses:		
– Bank and other borrowings	**(1,393,760)**	(1,262,920)
– Senior notes	**(1,018,521)**	(1,161,526)
	(2,412,281)	(2,424,446)
– Less: amounts capitalised on qualifying assets	**2,412,281**	2,424,446
– Net foreign exchange losses on financing activities	**(79,439)**	(106,006)
– Loss on early redemption of senior notes	**(307,369)**	(189,493)
Finance costs	**(386,808)**	(295,499)
Finance costs – net	**(312,317)**	(158,683)

9 INCOME TAX EXPENSES

	Six months ended 30 June 2015 *RMB'000*	2014 *RMB'000*
Current income tax		
– PRC corporate income tax	**2,089,765**	1,972,126
– Land appreciation tax *(note (c))*	**824,840**	901,045
	2,914,605	2,873,171
Deferred income tax		
– PRC corporate income tax	**(91,884)**	261,296
– Withholding income tax *(note (d))*	**72,000**	30,903
	(19,884)	292,199
	2,894,721	3,165,370

Notes:

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2014:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.

(b) PRC corporate income tax has been provided at corporate income tax rate of 25%.

(c) PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

(d) Withholding income tax is provided on the dividends to be distributed by the PRC subsidiaries of the Group. The relevant overseas holding companies have successfully obtained endorsement from various PRC tax bureaus to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the PRC subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the profit expected to be distributed by the PRC subsidiaries of the Group.

10 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 (note 6).

	Six months ended 30 June 2015	2014 Restated *(note c)*
Profit attributable to owners of the Company (RMB'000)	**4,929,843**	5,423,210
Weighted average number of ordinary shares in issue (thousands)	**21,121,232**	18,630,811
Earnings per share – Basic (RMB cents per share)	**23.34**	29.11

(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. During the period, the Company had only one category of dilutive potential ordinary shares: share options. For the share 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. 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.

	Six months ended 30 June	
	2015	2014 Restated *(note c)*
Profit attributable to owners of the Company/profit used to determine diluted earnings per share (RMB'000)	**4,929,843**	5,423,210
Weighted average number of ordinary shares in issue (thousands)	**21,121,232**	18,630,811
Adjustments – share options (thousands)	**1,671**	479
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**21,122,903**	18,631,290
Earnings per share – Diluted (RMB cents per share)	**23.34**	29.11

(c) On 13 October 2014, the Group issued 1,271,988,736 rights shares at a subscription price of HKD2.50 each on the basis of one rights share for every fifteen shares held payable in full on acceptance (the "Rights Issue"). Basic and diluted earnings per share for the six months ended 30 June 2014 were restated as a result of the Rights Issue.

11 DIVIDENDS

On 19 August 2015, the Board declared the payment of a 2015 interim dividend of RMB6.48 cents per share, totalling RMB1,463,704,000 (2014: nil). This interim dividend has not been recognised as a liability in this interim condensed consolidated financial information.

The final dividend in respect of 2014 of RMB14.75 cents (equivalent to HKD18.70 cents) per share, totalling RMB3,333,127,000, has been approved in the Annual General Meeting on 20 May 2015 and paid in cash in July 2015.

12 SUBSEQUENT EVENTS

On 11 August 2015, the Company repaid senior notes in an aggregate principal amount of USD 400,000,000 upon their maturities.

On 31 July 2015, the Company, as the borrower, entered into a facility agreement with various financial institutions, as the original lenders, in relation to a dual tranche transferrable term loan facility denominated in both HKD and USD in an aggregate amount equivalent to approximately USD800,000,000 for a term of four years, which includes a term imposing a specific performance obligation on the controlling shareholder of the Company.

On 30 July 2015, China Securities Regulatory Commission approved the application of Zengcheng Country Garden Property Development Co. Ltd., a company established in the PRC and a wholly-owned subsidiary of the Company (the "Issuer"), for a proposed issue of domestic corporate bonds of up to RMB6,000,000,000 to qualified investors in two tranches (the "Domestic Bonds"). The Domestic Bonds will be listed on the Shanghai Stock Exchange. The coupon rate of the first and second tranches with a principal amount of RMB3,000,000,000 each was fixed at 4.2% per annum. The term of the first and second Domestic Bonds was 3 years.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from five business segments: (i) property development, (ii) construction, fitting and decoration, (iii) property investment, (iv) property management, and (v) hotel operation. Revenue increased by 23.5% to approximately RMB47,327.6 million in the first half of 2015 from approximately RMB38,323.2 million for the corresponding period in 2014. 96.1% of the Group's revenue was generated from the sales of properties (corresponding period in 2014: 96.6%) and 3.9% from other segments (corresponding period in 2014: 3.4%).

Property Development

Despite of the slowdown of the development momentum of the real estate industry in current year, revenue generated from property development maintained a continuous steady growth as a result of the steady growth of property sales, strict construction control and timely delivery of units. Revenue generated from property development increased by 23.0% to approximately RMB45,502.6 million for the six months ended 30 June 2015 from RMB37,007.6 million for the corresponding period in 2014. The total GFA recognized increased by 35.6% to 7,254,542 sq.m. in the first half of 2015 from 5,351,238 sq.m. for the corresponding period in 2014. However, the recognized average selling price of property decreased by 9.3% to RMB6,272 per sq.m. for the six months ended 30 June 2015 from RMB6,916 per sq.m. for the corresponding period in 2014, mainly due to the condos GFA delivered increased to 67.1% of total GFA delivered in the first half of 2015 from 49.7% for the corresponding period in 2014.

Construction, Fitting and Decoration

Revenue generated from construction, fitting and decoration decreased by 29.4% to RMB261.9 million for the six months ended 30 June 2015 from RMB370.8 million for the corresponding period in 2014, primarily due to a decrease in the volume of services rendered to related parties and third parties of the Group.

Property Management

The Group's property management covers 274 projects. Revenue generated from property management increased by 86.1% to RMB904.8 million for the six months ended 30 June 2015 from RMB486.1 million for the corresponding period in 2014, primarily due to an increase in GFA under management, in line with the expansion of the Group's operations. In addition, the Group's property management subsidiaries began to expand its business beyond the properties developed by the Group. As at 30 June 2015, the Group's GFA under management was 77,007 thousand sq.m., among which 611 thousand sq.m. was developed by other companies.

Hotel Operation

Revenue generated from hotel operation increased by 47.9% to RMB610.9 million for the six months ended 30 June 2015 from RMB413.0 million for the corresponding period in 2014, primarily due to increased revenue from existing hotels and the opening of new hotels.

Property Investment

During the first half of 2014, the Group approved a business plan, and changed the use of certain properties from holding for sale or self-use to earning long-term rental. As at 30 June 2015, the total GFA of the investment properties held amounted to 967 thousand sq.m. The fair value of these investment properties amounted to RMB7,945.2 million, including RMB6,853.9 million of completed properties and RMB1,091.3 million of properties under development. Revenue generated from property investment increased by 3.5% to RMB47.3 million for the six months ended 30 June 2015 from RMB45.7 million for the corresponding period in 2014 primarily due to increase in rental area.

Finance Costs – Net

The Group recorded net finance costs of approximately RMB312.3 million for the six months ended 30 June 2015, compared with net finance costs of approximately RMB158.7 million for the corresponding period in 2014. The Group recorded interest expenses of approximately RMB2,412.3 million for the six months ended 30 June 2015, compared with interest expenses of approximately RMB2,424.4 million for the corresponding period in 2014. The above interest expenses were fully capitalized in qualifying assets and had no impact on finance costs, thus the increase of net finance costs were mainly due to the RMB307.4 million finance costs resulted from the early redemption of the senior notes due 2018 in the first half of 2015.

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company for the six months ended 30 June 2015 decreased by 9.1% to RMB4,929.8 million from RMB5,423.2 million for the corresponding period in 2014. The net profit margin decreased to 10.4% in the first half of 2015 from 14.2% for the corresponding period in 2014. As during the first half year of 2014, the Group approved a business plan, changed the use of certain properties from holding for sale or self-use to earning long-term rental, resulting in a RMB1,243.6 million gain arising from changes in fair value of and transfer to investment properties, such gains decreased by 62.4% to RMB467.0 million in the first half of 2015. After deduction of the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses, loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase, the core net profit attributable to owners of the Company for the first half of 2015 was RMB4,882.5 million, increased by 3.6% when compared with RMB4,712.1 million for the corresponding period in 2014.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position and Financing

As at 30 June 2015, the Group's cash and bank deposits (including restricted cash) amounted to approximately RMB27,218.3 million (31 December 2014: approximately RMB27,214.1 million). As at 30 June 2015, 82.7% (31 December 2014: 90.7%) of the Group's cash and bank deposits were denominated in Renminbi and 17.3% (31 December 2014: 9.3%) were denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

As at 30 June 2015, the carrying amount of the restricted cash was approximately RMB10,054.1 million (31 December 2014: approximately RMB8,453.5 million). Pursuant to relevant regulations, certain of the project companies were required to deposit a portion of proceeds from pre-sales of properties into designated bank accounts. Before the completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials and equipments, making interim construction payments and paying tax, with the prior approval of the relevant local authorities.

On 13 October 2014, the Group issued 1,271,988,736 rights shares and raised approximately RMB2.50 billion. The proceeds was expected to be applied to refinance the existing indebtedness of the Group and as general working capital. On 20 April 2015, the Group issued 2,236,200,000 new shares to Ping An Life Insurance Company of China and raised approximately RMB4.95 billion. The proceeds was expected to be applied by the Group for its development and as general working capital. In the first half of 2015, the use of equity fund raising remained unchanged.

Net Current Assets and Current Ratio

As at 30 June 2015, net current assets of the Group were approximately RMB43,426.5 million (31 December 2014: approximately RMB35,994.0 million). The current ratio being current assets over current liabilities was approximately 1.3 as at 30 June 2015, which increased from 1.2 as at 31 December 2014.

Debt and Charges on Group Assets

The Group had an aggregated debt as at 30 June 2015 of approximately RMB64,567.9 million (31 December 2014: approximately RMB61,068.7 million), including bank and other borrowings and senior notes of approximately RMB42,323.7 million and RMB22,244.2 million respectively (31 December 2014:approximately RMB38,794.9 million and RMB22,273.8 million respectively).

For bank and other borrowings, approximately RMB16,825.2 million, RMB24,979.1 million and RMB519.4 million will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2014: approximately RMB12,390.7 million, RMB25,875.5 million and RMB528.7 million respectively). As at 30 June 2015, the majority of the bank and other borrowings were secured by certain land use rights and properties of the Group and guaranteed by the Group.

Net Gearing Ratio

Net gearing ratio is measured by the net debt (total debt net of available cash, which equals to the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sold properties) over total equity excluding perpetual capital securities. Net gearing ratio decreased from 57.0% as at 31 December 2014 to 56.3% as at 30 June 2015.

Interest Rate Risk

The Group's bank and other borrowings bear floating rates. The weighted average interest rate of the Group's bank and other borrowings decreased to 6.98% in the first half of 2015 from 7.17% in the first half of 2014. The Group has implemented certain interest rate management which includes, among the others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

The Group's main business is denominated in Renminbi. Foreign exchange risk mainly arises from the outstanding foreign currency borrowings (mainly denominated in US dollars and HK dollars). In the first half of 2015, the Group has started to reduce the proportion of US dollar and HK dollar debts, and adopted foreign currency hedging instruments to achieve better management over foreign exchange risk.

Contingent Liabilities

As at 30 June 2015, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB58,710.0 million (31 December 2014: approximately RMB49,375.9 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. As at 30 June 2015, the amount of approximately RMB56.1 million (31 December 2014: approximately RMB113.4 million) was to be discharged two years from the day when the mortgaged loans become due; and approximately RMB58,654.0 million (31 December 2014: approximately RMB49,262.5 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally to be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgage loan by the purchasers of properties.

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

In addition, as at 30 June 2015, the Group had provided guarantees for approximately RMB1,848.8 million (31 December 2014: approximately RMB2,299.0 million) in its portion of equity interests in Guangzhou Li He Property Development Company Limited, an associate of the Group, and Zhongshan Yahong Property Development Company Limited, a joint venture of the Group, for their borrowings.

Capital and Property Development Commitments

As at 30 June 2015, the commitments of the Group in connection with capital and property development expenditures amounted to approximately RMB61,724.0 million (31 December 2014: approximately RMB72,652.3 million). This amount primarily arose from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments principally from pre-sold proceeds of the properties and partly from bank borrowings.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 30 June 2015, the Group had approximately 57,357 full-time employees (31 December 2014: 64,869).

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates. The Group is subject to social insurance contribution plans organized by the PRC local 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 reserve fund. As at the date of this announcement, there were no significant labor disputes which adversely affect or likely to have an adverse effect on the operations 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 Company. Not only could this profit/loss sharing program help lowering operational cost and increasing profit and returns, but also makes employees better understand the company's culture of "home experience", and further develop together with the Company.

Besides, since 2014 the Group has recruited almost 200 high-talented graduates from top universities worldwide, through its global recruiting program. These newly recruited talents will become the mainstay of the Group in future.

Forward Looking

Being one of the most important segments of Chinese economy, the real estate industry is expected to have constant economic stimulus from the government in the second half of 2015, and remain enjoying the benefit from urbanization and the strong need for high-quality housing. On the other hand, the competition of property development industry will be more intensive. To embrace the new market situation of diversification and integration, the Group will continue to adopt steady financial policies and risk control measures, strengthen its contract sales and cash collection and apply strict cost control to strengthen operating cash flows and ensure investment return. As to the land bank, a more prudent and practical strategy will be executed when acquiring new land to ensure the quality of future projects and optimize geographic exposure. Under the background of steady growth, the Group will focus on progressive increase of profitability to achieve high quality and all-balanced development. In the future, the Group will further integrate the related business in real estate industry value chain, build the community oriented platform covering different stages of life cycles, fully unleash the asset value of the Group, and create better returns for investors.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established in December 2006 with written terms of reference, in compliance with Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), are posted on the websites of the Stock Exchange and the Company respectively. The principal duties of the Audit Committee include, among other things, to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process and to perform other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all of the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited consolidated results for the six months ended 30 June 2015 of the Group. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim results for the six months ended 30 June 2015 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 HKICPA.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules as the code (the "**Model Code**") for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard of dealings set out therein throughout the six months ended 30 June 2015. No incident of non-compliance was noted by the Company to date in 2015. Relevant employees who are likely to be in possession of inside information of the Group are also subject to the compliance with written guidelines on no less exacting terms than the Model Code.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence. During the six months ended 30 June 2015, the Company has applied the principles and complied with all applicable code provisions in the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

SHARE OPTION SCHEME

On 20 March 2007, a share option scheme (the "**Share Option Scheme**") was adopted and approved by the then shareholders of the Company for a period of 10 years commencing on the adoption date. Since the adoption date, the Board may, at its discretion, grant share options to any eligible person to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme.

During the six months ended 30 June 2015, no share options were granted, exercised, cancelled or lapsed 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 the benefit 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 officially. 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. During the period, the Company had not purchased any shares from the market, and had not acquired any shares of the Company by way of scrip dividend nor rights issue. As of 30 June 2015, the cumulative total number of the shares of the Company acquired under the Employee Incentive Scheme was 107,771,551 shares.

The Board will continue monitoring the Employee Incentive Scheme for the benefit of the senior management and employees of the Group and if it shall consider appropriate and/or desirable, modify or replace the Employee Incentive Scheme with and/or adopt other incentive scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board declared an interim dividend of RMB6.48 cents (2014: Nil) per share for the six months ended 30 June 2015 to shareholders whose names appear on the register of members of the Company on Thursday, 24 September 2015 (record date) (the "**Eligible Shareholders**").

The interim dividend is declared in RMB and shall be paid in Hong Kong dollars. The interim dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Friday, 18 September 2015 to Thursday, 24 September 2015. It is expected that the interim dividend warrants will be dispatched to Eligible Shareholders on or around Friday, 6 November 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed at Tuesday, 22 September 2015 to Thursday, 24 September 2015, both days inclusive, during which period no transfer of shares will be registered in order to determine the identity of the Eligible Shareholders who are qualified for the interim dividend. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 21 September 2015.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

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

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

Hong Kong, 19 August 2015

As of the date of this announcement, the executive Directors are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Vice Chairman), Mr. MO Bin (President), Mr. ZHU Rongbin (Associate President), Mr. WU Jianbin (Chief Financial Officer), Ms. YANG Ziying, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The independent non-executive Directors are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. LIU Hongyu, Mr. MEI Wenjue and Mr. YEUNG Kwok On.