



COUNTRY  
GARDEN

FIVE  
STAR  
living for you

## Financial Year 2015: Annual Results Presentation

15 March 2016

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# Results Highlights

## Summary of results

(RMB Billion) <sup>1</sup>	As at 31 December			FY2015 YoY growth
	2013	2014	2015	
Total assets	206.2	268.0	362.0	35.0%
Total liabilities	160.2	205.6	272.6	32.6%
Total debts	56.2	61.1	89.7	47.0%
Cash and cash equivalents (adjusted) <sup>2</sup>	26.7	27.2	47.9	75.9%
Net debt	29.6	33.9	41.9	23.7%
Total equity	46.0	62.4	89.3	43.1%
Equity attributable to owners of the Company	44.0	56.7	65.3	15.2%
Number of projects <sup>3</sup>	198	242	384	58.7%
Weighted average borrowing cost	8.08%	7.59%	6.20%	-139bp
Net gearing ratio	64.3%	57.0%	60.0%	+3.0p.p.
Adjusted liability/asset ratio <sup>4</sup>	46.9%	42.5%	48.7%	+6.2p.p.

(RMB Billion) <sup>1</sup>	For the financial year ended 31 December			FY2015 YoY growth
	2013	2014	2015	
Contracted sales <sup>5</sup>	108.2	130.9	140.2	7.1%
Revenue	62.7	84.5	113.2	33.9%
Gross profit	19.0	22.1	22.9	3.7%
SG&A	6.3	7.5	7.9	5.4%
<i>As a percentage of contracted sales (%)</i>	6.0%	5.8%	5.6%	-0.2p.p.
Net Profit	8.8	10.6	9.7	-8.5%
Net profit attributable to owners of the Company	8.5	10.2	9.3	-9.3%
Core net profit attributable to owners of the Company <sup>6</sup>	8.0	9.2	9.7	5.1%
EPS <sup>7</sup> (RMB cents)	45.97	53.45	42.54	-20.4%
Payout ratio <sup>8</sup> (%)	38.8%	36.1%	30.0%	-6.1p.p.
Dividend per share <sup>9</sup> (RMB cents)	16.83	14.75	12.95	-12.2%

## Management Highlights for FY2015

### Introducing Ping An as a strategic investor

- ✓ Introduced Ping An as a strategic investor and raised proceeds of approximately HK\$6.30 billion. Ping An becoming the second largest shareholder of Country Garden would help the company to optimize shareholder structure and further broaden financing channels
- ✓ Strategic cooperation with Ping An is progressing steadily in land investment, marketing, finance and community business

### Financial Management

- ✓ Fitch upgraded Country Garden's rating from "BB+ outlook stable" to "BB+ outlook positive" on Jan 23, 2015
- ✓ Moody's upgraded Country Garden's rating outlook from "Ba2" to "Ba1" on Jul 6, 2015

### Partnership Scheme

- ✓ Projects on partnership scheme: 168
- ✓ Fund raised from Group level: RMB242 million, from regional level: RMB443 million
- ✓ 73 projects on partnership scheme already launched for sale
- ✓ Average breakeven period: 8.2 months, annualized investment return<sup>10</sup>: 56%

### Notes:

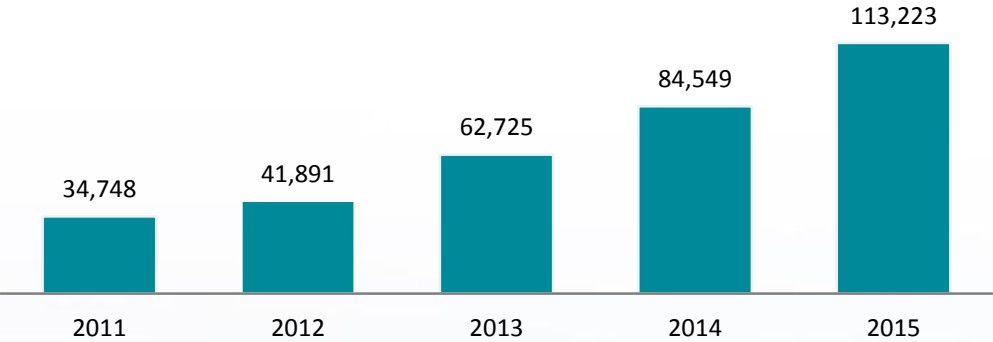
1. Unless stated otherwise
2. Adjusted cash and cash equivalents = cash and cash equivalents + guarantee deposits for construction of pre-sale properties
3. Contracted or land permit received
4. Adjusted liability/asset ratio=(total liabilities—advanced proceeds received from customers)/total assets
5. Achieved by the Company and its subsidiaries, together with its joint ventures and associates
6. 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
7. Affected by the rights issues in 2014, EPS figures in 2013 are restated
8. Total dividend/Total core profit attributable to the owners of the Company
9. Total dividend of FY2015 : Sum of Interim dividend 6.48 cents and final dividend 6.47 cents
10. Annualized investment return = (net margin\*percentage of equity share) / annualized investment = (net margin\*percentage of equity share) / (investment\*numbers of years of investment)



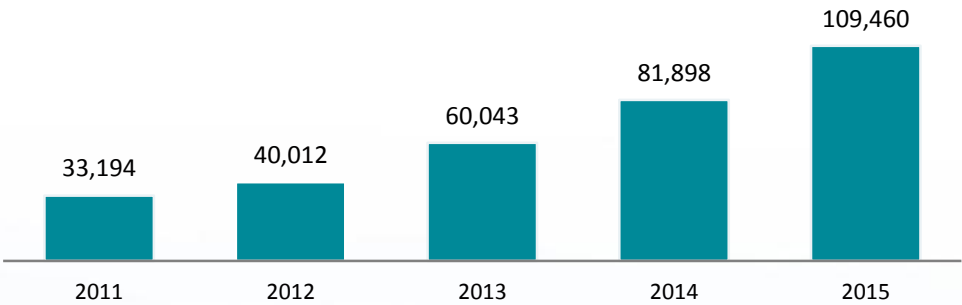


# Financial Overview: Core Indicators (1/2)

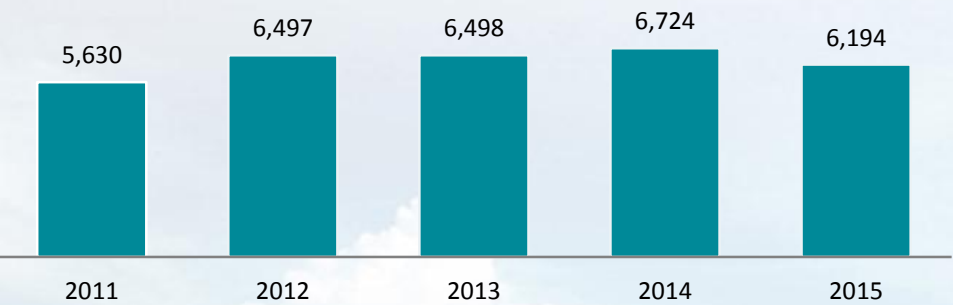
Revenue (RMB million)



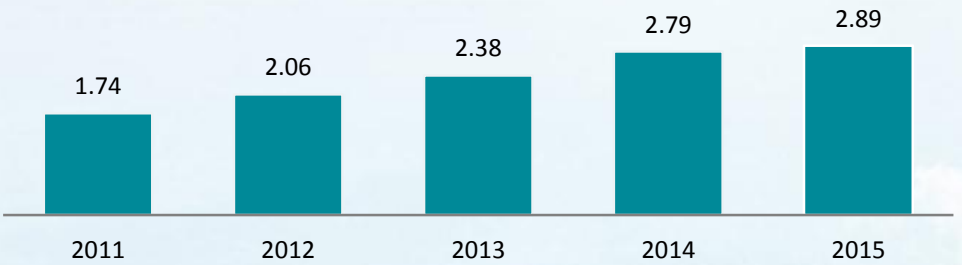
Recognized revenue from property development (RMB million)



Recognized average selling price (RMB/sqm)

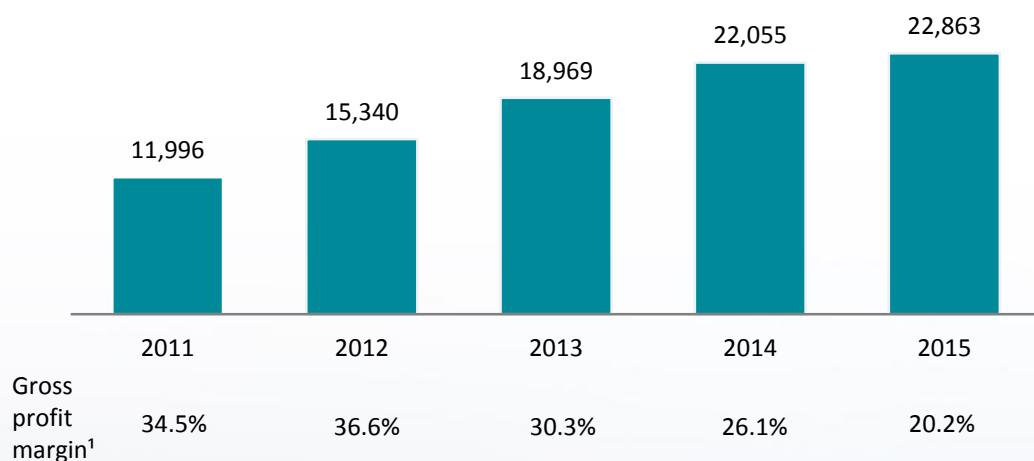


Period-end book value per share (RMB)

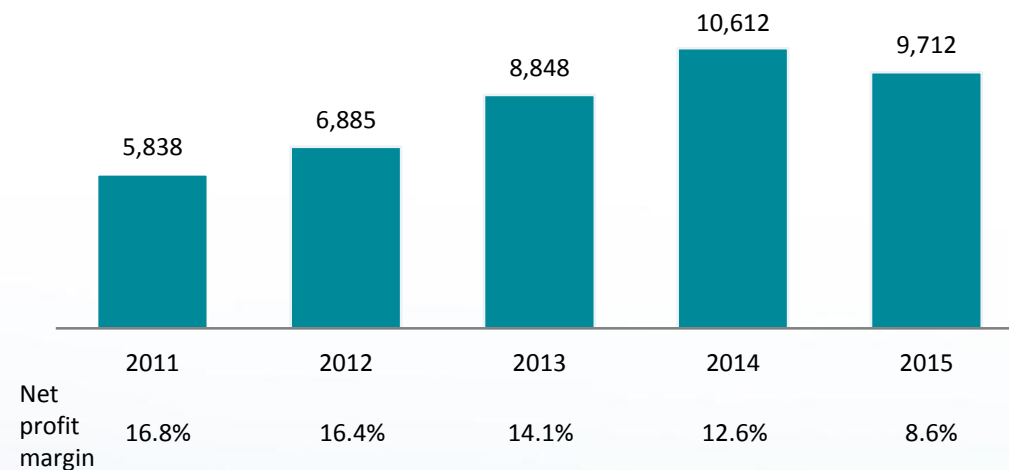


# Financial Overview: Core Indicators (2/2)

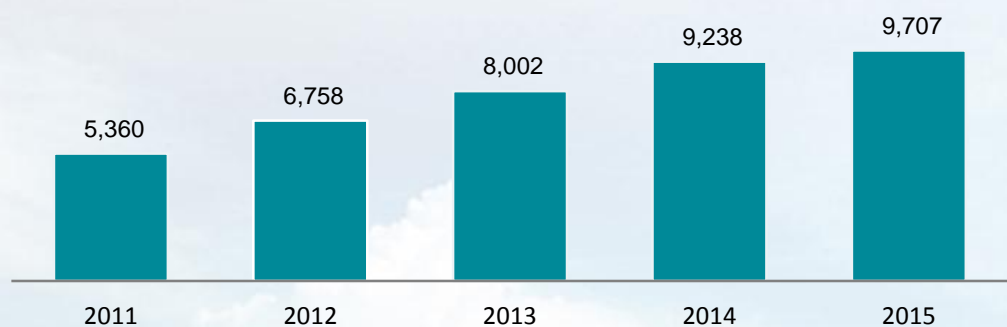
Gross profit<sup>1</sup> (RMB million)



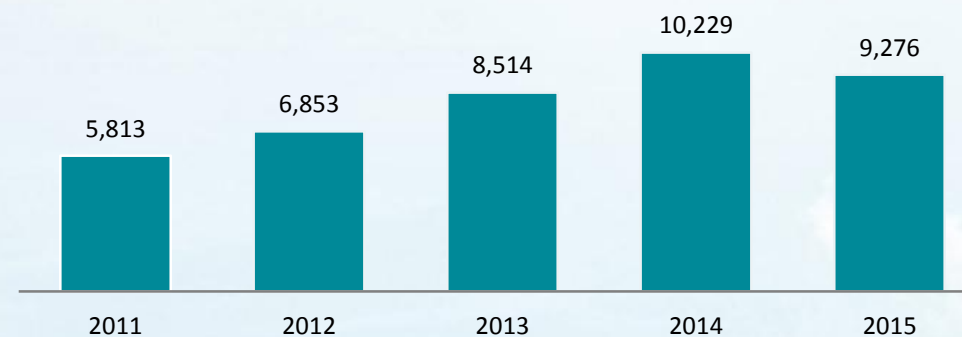
Net profit (RMB million)



Core net profit<sup>2</sup> (RMB million)



Net profit attributable to the owners of the company (RMB million)

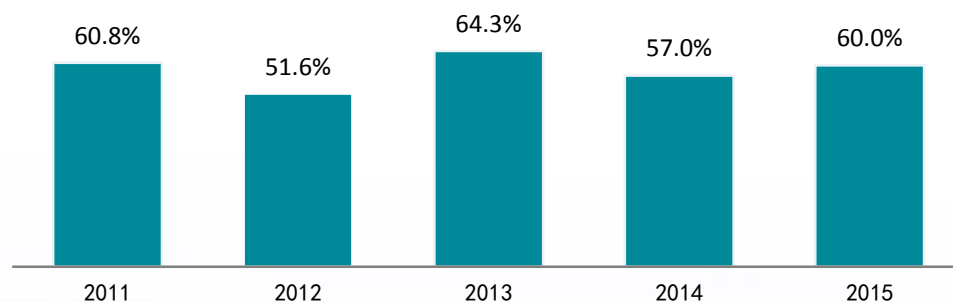


## Notes:

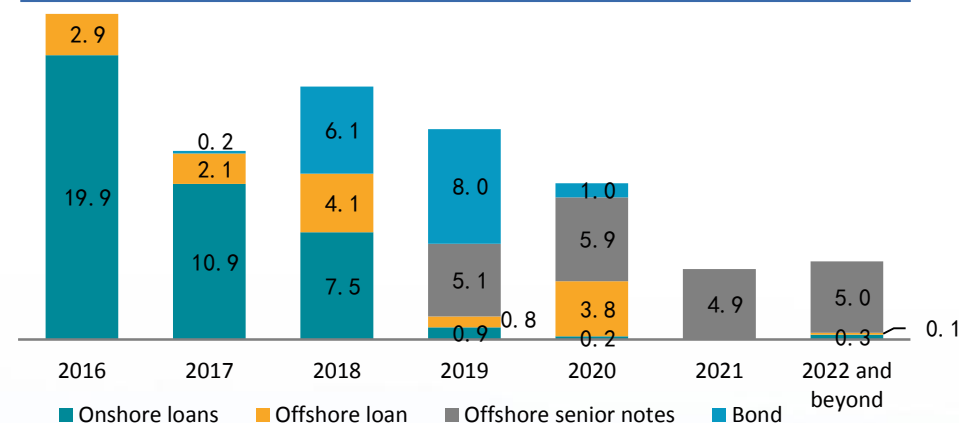
1. Gross profit and gross margin before LAT
2. Excluding the after-tax gains arising from changes in fair value of and transfer to investment properties, net exchange gains/losses on financing activities, the loss on early redemption of senior notes, change in fair value of derivative financial instruments and gains on bargain purchase.

# Financial Overview: Capital Structure (1/2)

Net gearing ratio<sup>1</sup>



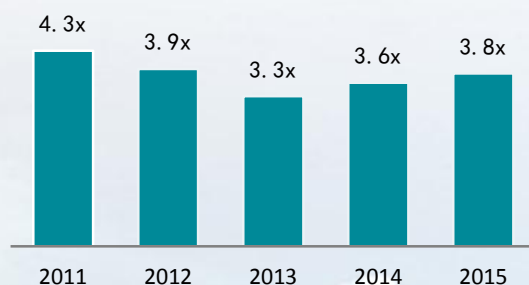
Debt maturity (RMB bn) as of 31 December 2015



Budget management and control net gearing ratio

Optimizing debt profile

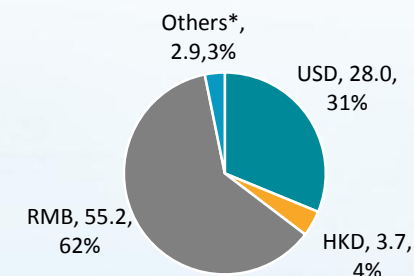
EBITDA<sup>2</sup> / Interest coverage



Total debt/EBITDA<sup>2</sup>



Debt by currency (RMB bn)



Notes:

1. Net gearing ratio =  $\frac{\text{total debt} - \text{cash \& cash equivalents} - \text{guarantee deposits for construction of pre-sale properties}}{\text{total equity (excluding perpetual capital securities)}}$

2. EBITDA defined as operating profit + interest income + PP&E depreciation + amortization of land use rights and intangibles, excluding foreign exchange gain or loss and other extraordinary gains and losses

3. Others\* : including MYR and other currencies

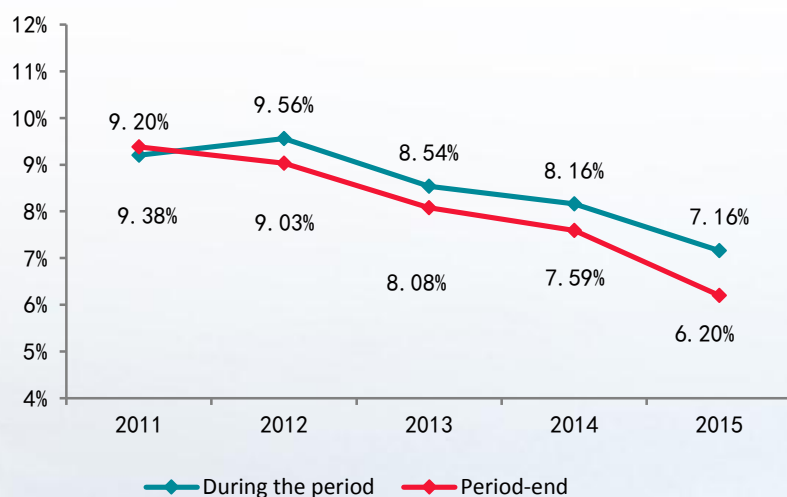


# Financial Overview: Capital Structure (2/2)

## Credit ratings

Rating agencies	Category	Ratings	Outlook	
Fitch	Corporate & bond ratings	BB+	Positive	Initiated ratings of BB+ in May 2014, Outlook upgraded to Positive in Jan 2015
S&P	Corporate & bond ratings	BB+	Stable	S&P upgraded corporate ratings from BB to BB+ and bond ratings from BB- to BB+ in 2014
Moody's	Corporate & bond ratings	Ba1	Stable	Moody's upgraded Country Garden's rating to Ba1 (Stable) on 6 July, 2015

## Weighted average borrowing cost



## Main financing activities in 2015

Type	Issuance date	Size	Coupon rate	Maturity (year)
Senior notes	Mar	USD900 mn	7.5%	5
Syn. loan	July, Dec	USD975 mn	HIBOR/LIBOR + 3.1%	4
Corporate bonds <sup>1</sup>	Aug	RMB6 bn	4.2%	3
Private corporate bonds <sup>1</sup>	Nov, Dec	RMB8 bn	4.95%、5.1%	4
Private corporate bonds	Dec	RMB1 bn	4.99%	5
Islamic medium term notes <sup>2</sup>	Dec	MYR115 mn	6%	2

**Early redemption of 11.125% senior notes due 2018 and payment of 10.50% senior notes**  
**Lower interest costs in 2015 by exploring Chinese domestic bond market in timely manner**

**Available cash of approximately RMB47.88 billion as of 31 Dec 2015, accounting for 13.2% of the total assets**  
**Unused credit lines from banks amounted to RMB91.35 billion**

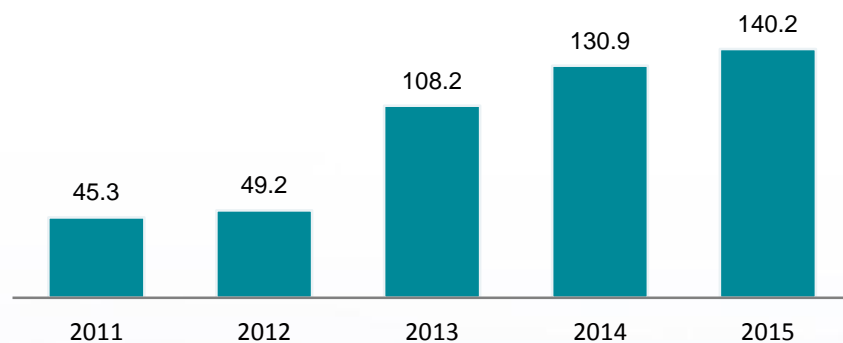
Notes :

1. Issued by the Company's wholly-owned subsidiary, Zengcheng Country Garden Property Development Co. Ltd
2. Issued by the Company's wholly-owned subsidiary, Country Garden Real Estate Sdn. Bhd.

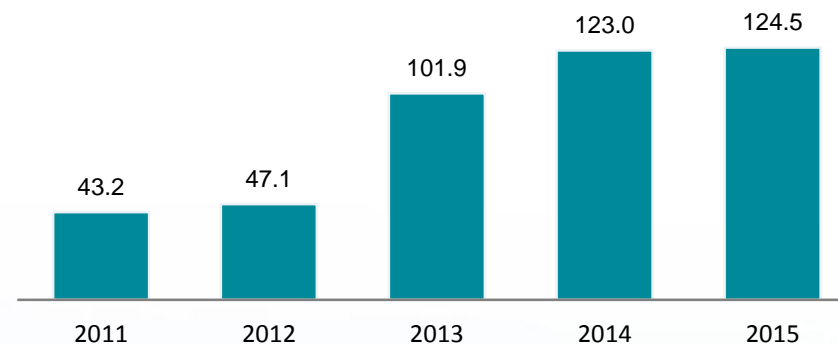


# Business Overview: Contracted Sales (1/3)

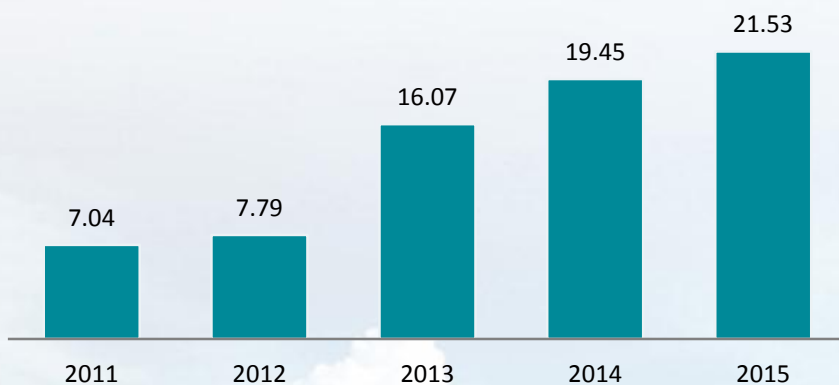
Contracted sales<sup>1</sup> (RMB bn)



Contracted Sales attributable to the owners of the Company (RMB bn)



Contracted GFA<sup>2</sup> (mn sq.m.)



Contracted sales ASP (RMB/sq.m.)

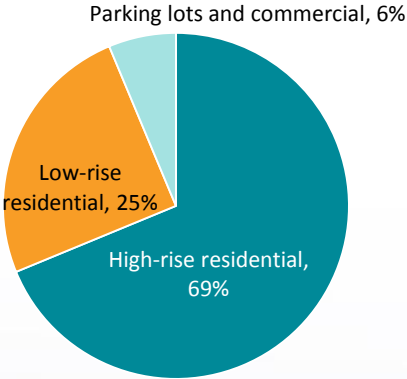


## Notes:

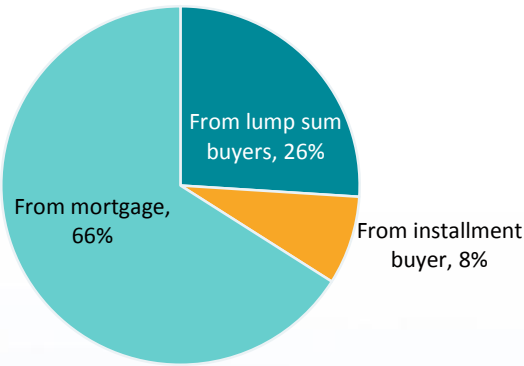
1. Contracted sales achieved by the Company and its subsidiaries, together with its joint ventures and associates
2. Contracted GFA achieved by the Company and its subsidiaries, together with its joint ventures and associates

# Business Overview: Contracted Sales (2/3)

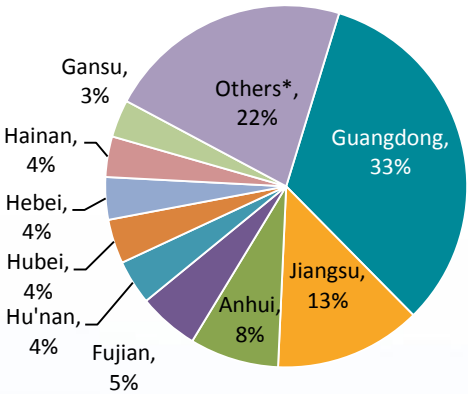
Contracted sales breakdown by type of products in FY2015 (by value)



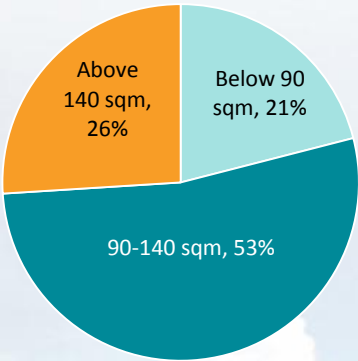
Contracted sales payment type breakdown in FY2015 (by value)



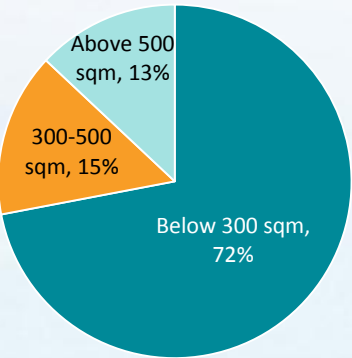
Contracted sales breakdown by province/region in FY2015 (by value)



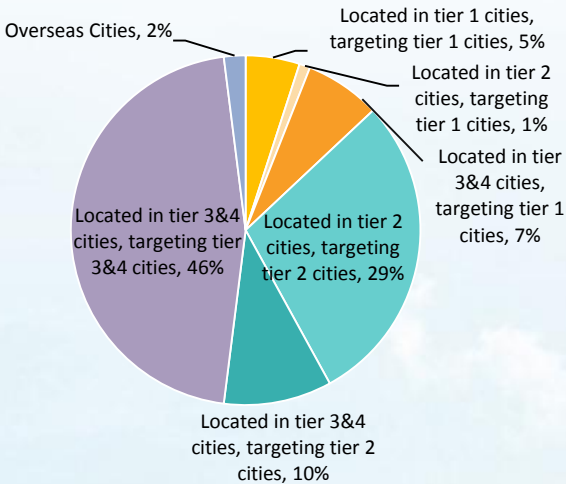
Contracted sales of high-rise residential size breakdown by size in FY2015 (by value)



Contracted sales of low-rise residential size breakdown by size in FY2015 (by value)



Contracted sales breakdown by city type in FY2015 (by value)



Note :  
1. Others\* includes Liaoning, Henan, Zhejiang, Shandong, Malaysia, Jiangxi, Chongqing, Guizhou, Guangxi, Sichuan, Tianjin, Australia, Shaanxi, Inner Mongolia, Yunnan, Shanxi, Heilongjiang, Jilin.

# Business Overview: Contracted Sales (3/3)

## Outstanding sales performance: introduction of key projects by city type

Target city	Located city	Project	Launched amount (RMB mn)	Accumulated sales (RMB mn)	Sell-through rate
Guangzhou (Tier 1)	Guangzhou (Tier 1)	Country Garden · Phoenix Courtyard	1,826	1,454	80%
Beijing (Tier 1)	Zhangjiakou (close to tier 1)	Country Garden · Guanting Lake One	781	719	92%
Zhengzhou (Tier 2)	Zhengzhou (Tier 2)	Zhengzhou Country Garden	1,847	1,816	98%
Sanya (Tier 2)	Lingshui (Tier 3&4)	Country Garden · Coral Palace	5,955	4,850	81%
Yangjiang (Tier 3&4)	Yangjiang (Tier 3&4)	Yangchun Country Garden	704	610	87%

## Outstanding sales performance: projects ranked first in terms of sales and projects with high market share

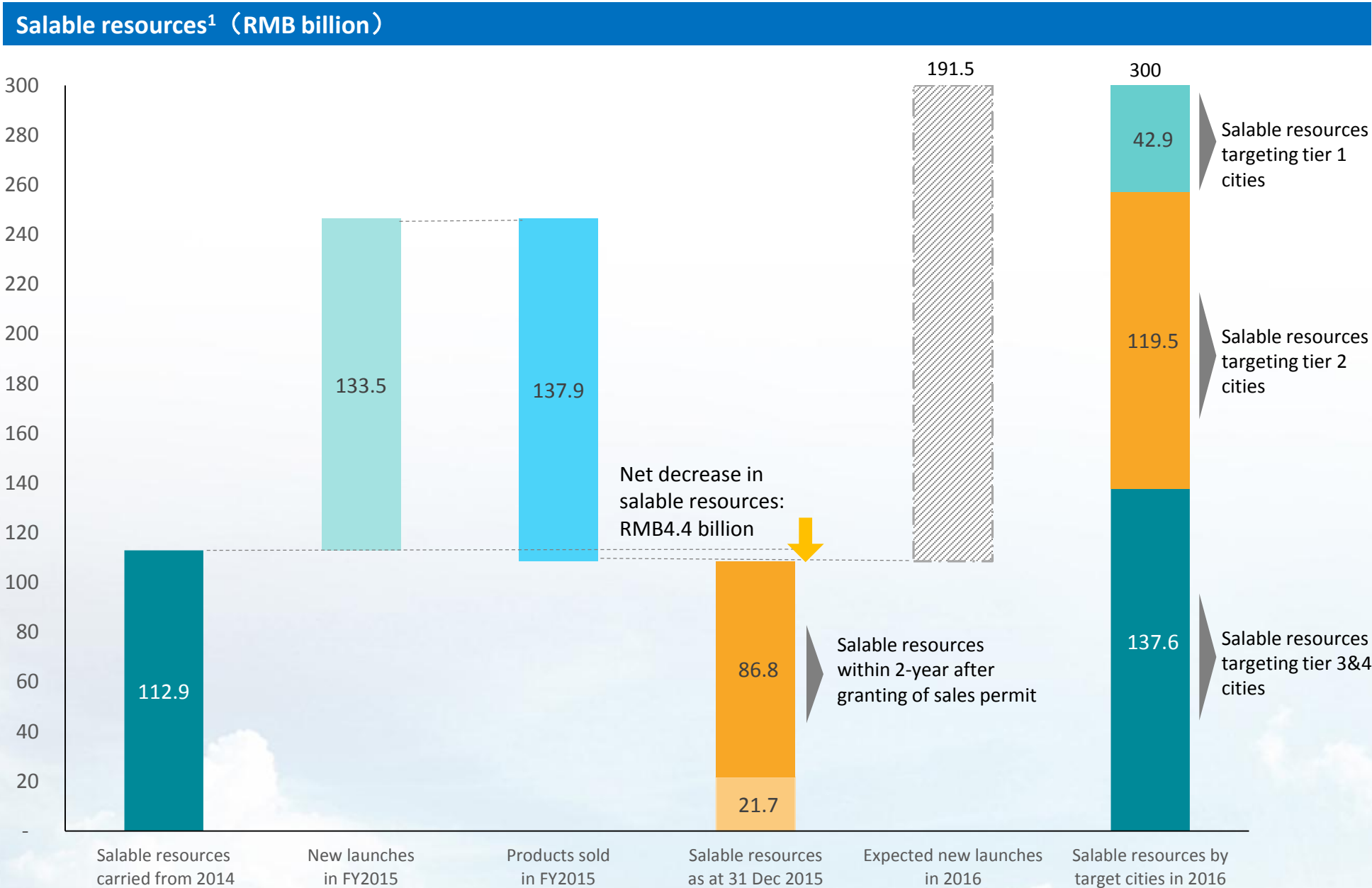
### 53 projects ranked first in terms of launch or total sales in FY2015 in respective local markets (cities level or above)

- ✓ Three-Category-Champions in terms of sales/ number of units/ GFA: 23 projects including Sanming Country Garden, Shanwei Country Garden and Lanzhou Country Garden
- ✓ Two-Category-Champions: 6 projects including Xinhui Country Garden (number of units and sales) and Qidong Country Garden (number of units and GFA)
- ✓ One-Category-Champions: 8 projects including Tongliao Country Garden (sales) and Suizhou Country Garden (GFA)
- ✓ Debut sales champions: 16 projects including Yulin Country Garden and Lufeng Country Garden

### 40 projects with market share of over 20% in County-level cities

- ✓ Projects with market share of over 50%: Sanming Country Garden project
- ✓ Projects with market share of 30%-49%: 15 projects including Country Garden · Jade Bay(Wuwei), Qidong Country Garden and Yangchun Country Garden
- ✓ Projects with market share of 20%-29%: 24 projects including Lanzhou Country Garden, Anqing Country Garden and Tongcheng Country Garden

# Business overview: Salable Resources – Sufficient supply in the future



Notes:

- 1. Excluding Asian Games City and Zhongshan Yahong Project
- 2. Saleable resources are estimated by calculating expected ASP and GFA. Salable resources carried from 2014 refers to the completed but unsold or under construction unsold units with sales permit



# Business Overview: Land Bank (1/3)

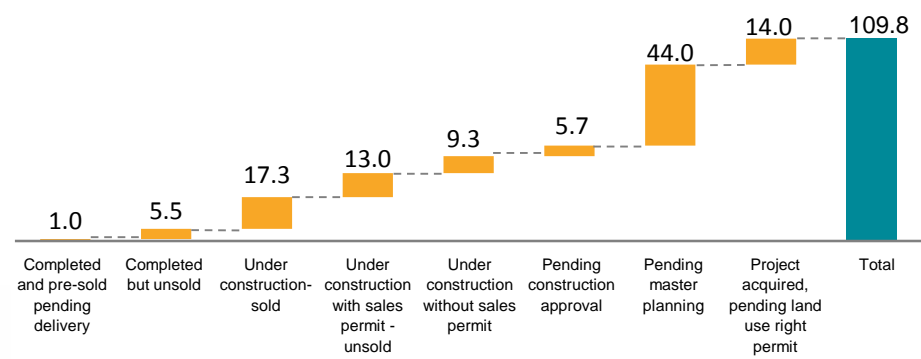
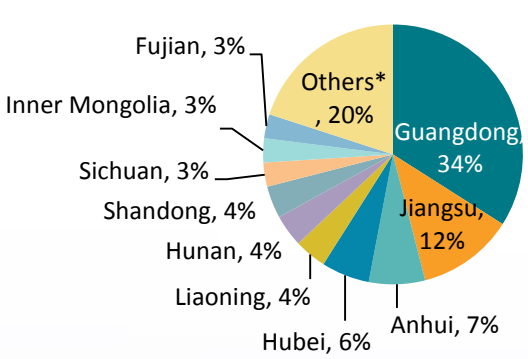
As at 31 December 2015, number of projects acquired by the Group totaled 384, including 379 in China (145 in Guangdong Province), 4 in Malaysia and 1 in Australia. The Group's projects in China span across 147 cities in 26 provinces/autonomous regions/municipalities.



# Business Overview: Land Bank – China (2/3)

Land bank breakdown by location<sup>1</sup> (by GFA)

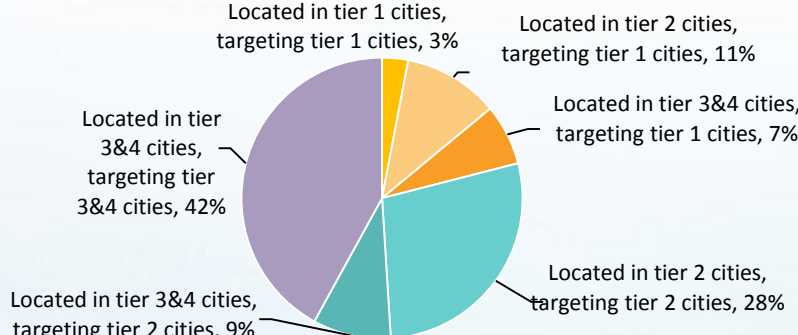
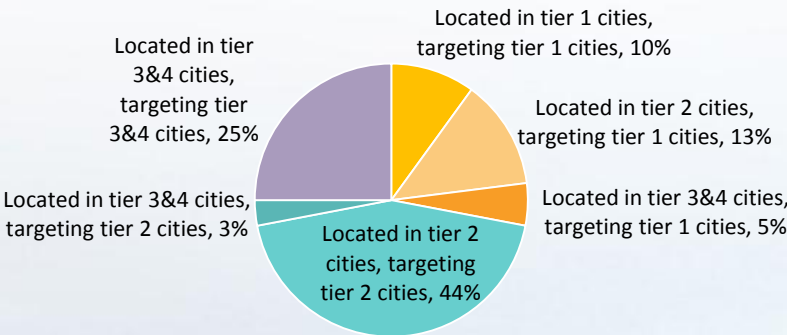
Land bank GFA breakdown by development stage<sup>1</sup> (million sq.m.)



Among which, 94.48 million sq.m. are attributable to owners of the Company

Newly acquired lands breakdown in 2015 by city type (by value)

Newly acquired lands breakdown in 2015 by city type (by GFA)



Land acquisition targeting tier 1&2 cities added up to 75% of land cost attributable to owners of the Company

Land acquisition targeting tier 1&2 cities added up to 58% of GFA attributable to owners of the Company

For FY2015, the expected GFA of the Group's 172 acquired lands was approximately 38.21 million sq.m., with total cost of approximately RMB55.95 billion. Among them, expected GFA attributable to owners of the Company was approximately 28.41 million sq.m. with total cost of approximately RMB42.66 billion. The average land cost was RMB1,502/sq.m..

- Only 12 acquired lands at over RMB5,000/sq.m.
- 49 acquired lands through M&A, accounting for 39% of total land cost

Competitive land cost enhances Country Garden's pricing flexibility and reduces the impact of market fluctuations

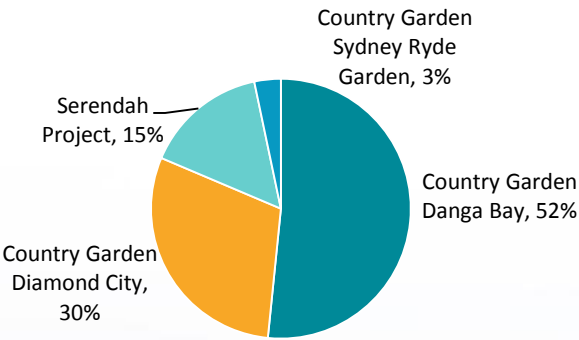
Notes:

1. GFA breakdown of acquired projects as at 31 December 2015

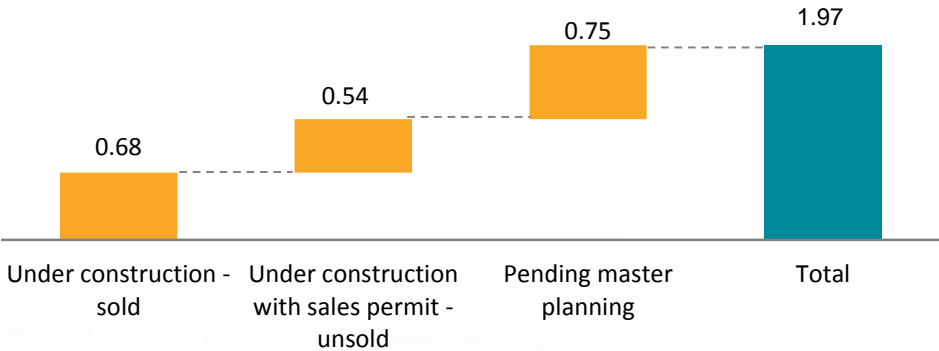
2. Others\* including Guizhou, Hainan, Gansu, Guangxi, Zhejiang, Hebei, Henan, Jiangxi, Chongqing, Shanxi, Yunnan, Tianjin, Jilin, Heilongjiang, Shaanxi, Shanghai

# Business Overview: Land Bank – Overseas (3/3)

Land bank breakdown by project<sup>1</sup>  
(exclude Forest City; by GFA)



Land bank breakdown by development stage<sup>1</sup>  
(exclude Forest City; million sq.m.)



Among which, 1.57 million sq.m. are attributable to owners of the Company

## The Group’s long term strategical project: Forest City in Johor, Malaysia



**Overall planning**

- A joint development by Country Garden and Johor State Government. Country Garden holds 60% interests while its partner holds 40% interests in the project
- Comprising a number of reclaimed islands, the project has planned area of 14 square kilometers with an estimated total development period of 20 years

**Incentive Package**

- Duty-free zone
- Tax exemption of 100% for statutory income received from domestic land transfer till 2023
- Tax exemption of 100% for statutory income received from domestic commercial building lease and sales till 2028
- Tax exemption of 70% for statutory income received from domestic residential building lease and sales till 2028
- Corporate tax exemption for companies providing supervision and services for certified developers till 2028
- 5-year corporate tax exemption or 5-year investment tax exemption in tourism, exhibition, education and healthcare sectors
- No restriction/ equity conditions for foreign shareholders in companies that are eligible for the corporate tax incentives introduced
- A number of other incentive policies are under application progress



Note:  
1. Land bank acquired as of 31 Dec 2015

# Results Highlights

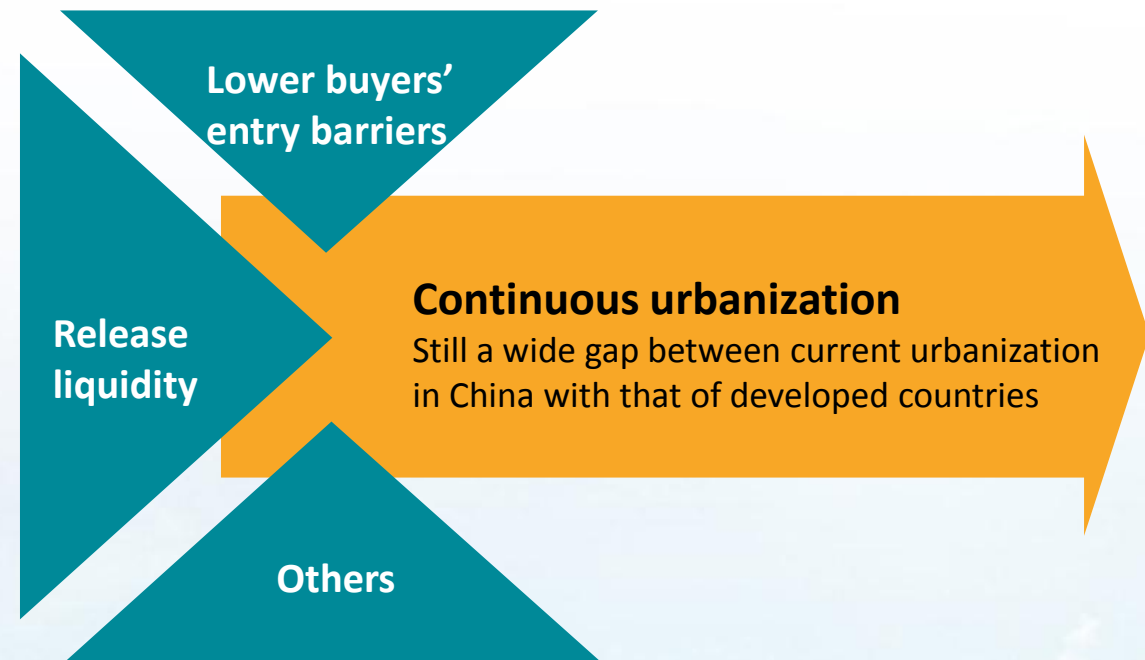
- 1 **Shares buy-back**
- 2 **Growth of revenue and core net profit**  
Revenue amounted to RMB113.2 billion, up 33.9% yoy; core net profit amounted to RMB9.7 billion, up 5.1% yoy
- 3 **Further increase of sell-through rate and support of cash generated from property sales**  
Carried forward salable resources decreased from RMB112.9 billion in early 2015 to RMB108.5 billion as at 31 Dec 2015; cash generated from property sales for the year amounted to RMB117.0 billion, marking its second time to have generated over RMB100 billion
- 4 **Optimization of capital structure and asset liquidity**  
As at 31 Dec 2015, the Group's net gearing ratio was 60.0%; available cash balance was RMB47.88 billion, accounting for 13.2% of the total assets; unused credit lines from banks amounted to RMB91.35 billion
- 5 **Further reduction of financing costs**  
Weighted average borrowing cost as at 31 Dec 2015 was 6.20%, representing a decrease of 139 basis points compared with the end of 2014
- 6 **Recognition from rating agencies**  
Fitch upgraded Country Garden's rating from "BB+ outlook stable" to "BB+ outlook positive" in 2015; Moody's raised the Company's corporate credit rating from "Ba2" to "Ba1 outlook stable"
- 7 **Further optimization of land bank portfolio**  
Ratio by amount of the Company's newly acquired land with tier 1&2 cities or tier 3&4 cities as target markets (excluding minority interests) was 75:25
- 8 **Stable implementation of overseas strategies**  
Country Garden's overseas projects will become a new profit growth driver, the Company will gradually proceed the development according to market response
- 9 **Successful introduction of Ping An as a strategic investor**  
Further optimizing equity structure; strategic cooperation with Ping An gradually progressing
- 10 **Performance of non-property-development business**  
The Group's property management business achieved revenue of RMB1.47 billion, up 52.4% yoy



As the government's stimulus policies have been gradually launched since 2015, the real estate market has been enjoying the most favorable policies with momentum of urbanization continuing, the Company remains relatively optimistic about the industry development on 2016

- 2015.02.05 - 1<sup>st</sup> lowering of RRR: 0.5p.p.
- 2015.03.01 - 1<sup>st</sup> interest reduction: 0.25p.p.
- 2015.04.20 - 2<sup>nd</sup> lowering of RRR: 1p.p.
- 2015.05.11 - 2<sup>nd</sup> interest reduction: 0.25p.p.
- 2015.06.28 - 3<sup>rd</sup> lowering of RRR and interest reduction: 0.25p.p. for interest, 0.5p.p. for RRR
- 2015.08.26 - 4<sup>th</sup> lowering of RRR and interest reduction: 0.25p.p. for interest, 0.25p.p. for RRR
- 2015.10.24 - 5<sup>th</sup> lowering of RRR and interest reduction: 0.25p.p. for interest, 0.5p.p. for RRR
- 2016.02.29 - 6<sup>th</sup> lowering of RRR: 0.5p.p.

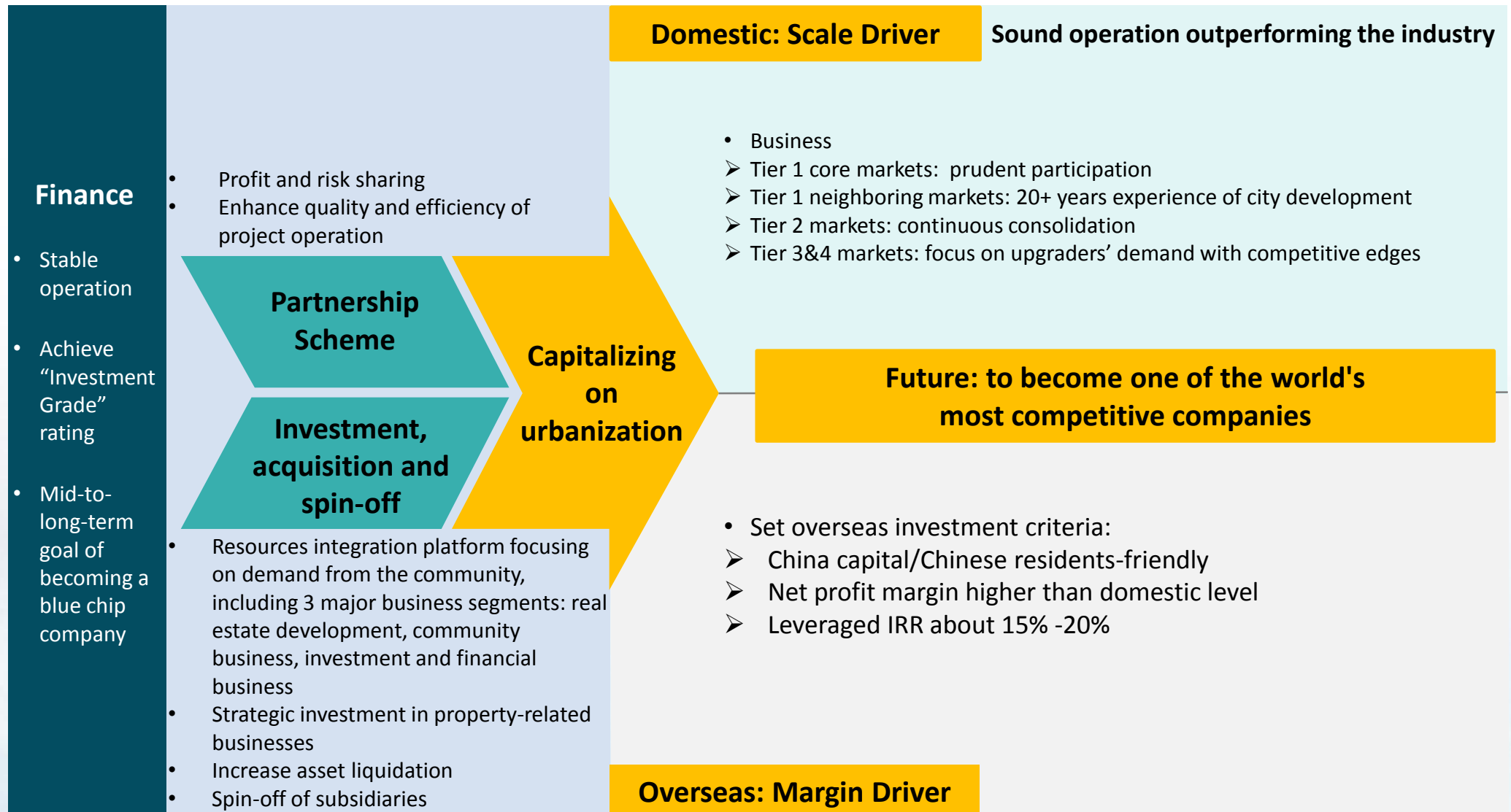
- 2015.03.03 lowered down payments for buyers of second homes
- 2015.08.27 loosened regulations on foreign purchase
- 2016.02.02 lowered down payments for buyers in cities without purchase restriction order



- 2015.10.29 Two-child policy
- Supply-side reform: Optimize supply and structure of land, convert commercial property to secure housing supply, support monetary reform for affordable housing



# Strategy Overview: Capitalizing on urbanization, implementing partnership scheme and developing community resources integration platform through investment, acquisition and spin-off



# Capitalizing on urbanization: boosting business with competitive capabilities and successful experience

- Country Garden's portfolio matrix: capturing opportunities from government policies, adapting to various stages of urbanization, and sustaining the success of Country Garden's expertise

Target Cities	Tier 3&4	<ul style="list-style-type: none"> <li>Outstanding competitive edges</li> <li>Focus on high net-worth individuals and upgraders' demand</li> <li>Typical projects: Yangchun Country Garden, Shanwei Country Garden, Xinhui Country Garden</li> </ul>			According to land bank as of end of 2015: <ul style="list-style-type: none"> <li>Projects targeting tier 3&amp;4 cities expected to provide approx. RMB298 billion salable resources<sup>1</sup> in 2016 onwards</li> </ul>
	Tier 2	<ul style="list-style-type: none"> <li>Continuous consolidation</li> <li>Typical projects: Zhengzhou Country Garden, Nanjing Country Garden</li> </ul>	<ul style="list-style-type: none"> <li>Capture spillover demand from tier 2 cities</li> <li>In line with urbanization progress of tier 2 cities and their neighboring areas</li> <li>Develop large-scale anchor projects</li> <li>Typical projects: Country Garden · Coral Palace, Country Garden · Phoenix City (Jurong)</li> </ul>		<ul style="list-style-type: none"> <li>Projects targeting tier 2 cities expected to provide approx. RMB234 billion salable resources<sup>1</sup> in 2016 onwards</li> </ul>
	Tier 1	<ul style="list-style-type: none"> <li>Monitoring and participation</li> <li>Lower cost by adopting ways other than bidding, auction and listing to acquire land</li> <li>Typical projects: Country Garden · Phoenix Courtyard, Country Garden · Phoenix City (Guangzhou), Country Garden · Hill Bay (Guangzhou)</li> </ul>	<ul style="list-style-type: none"> <li>Capture spillover demand from tier 1 cities</li> <li>In line with urbanization progress of tier 1 cities and their neighboring areas</li> <li>Develop large-scale anchor projects</li> <li>Typical projects: Shunde Country Garden</li> </ul>	<ul style="list-style-type: none"> <li>Capture buyers' demand from tier 1 cities</li> <li>In line with urbanization progress of tier 1 cities and their neighboring areas</li> <li>Develop large-scale anchor projects</li> <li>Typical projects: Country Garden · Ten Miles Beach, Country Garden · Guanting Lake One</li> </ul>	<ul style="list-style-type: none"> <li>Projects targeting tier 1 cities expected to provide approx. RMB95 billion salable resources<sup>1</sup> in 2016 onwards</li> </ul>
		Tier 1	Tier 2	Tier 3&4	
Geographical location					

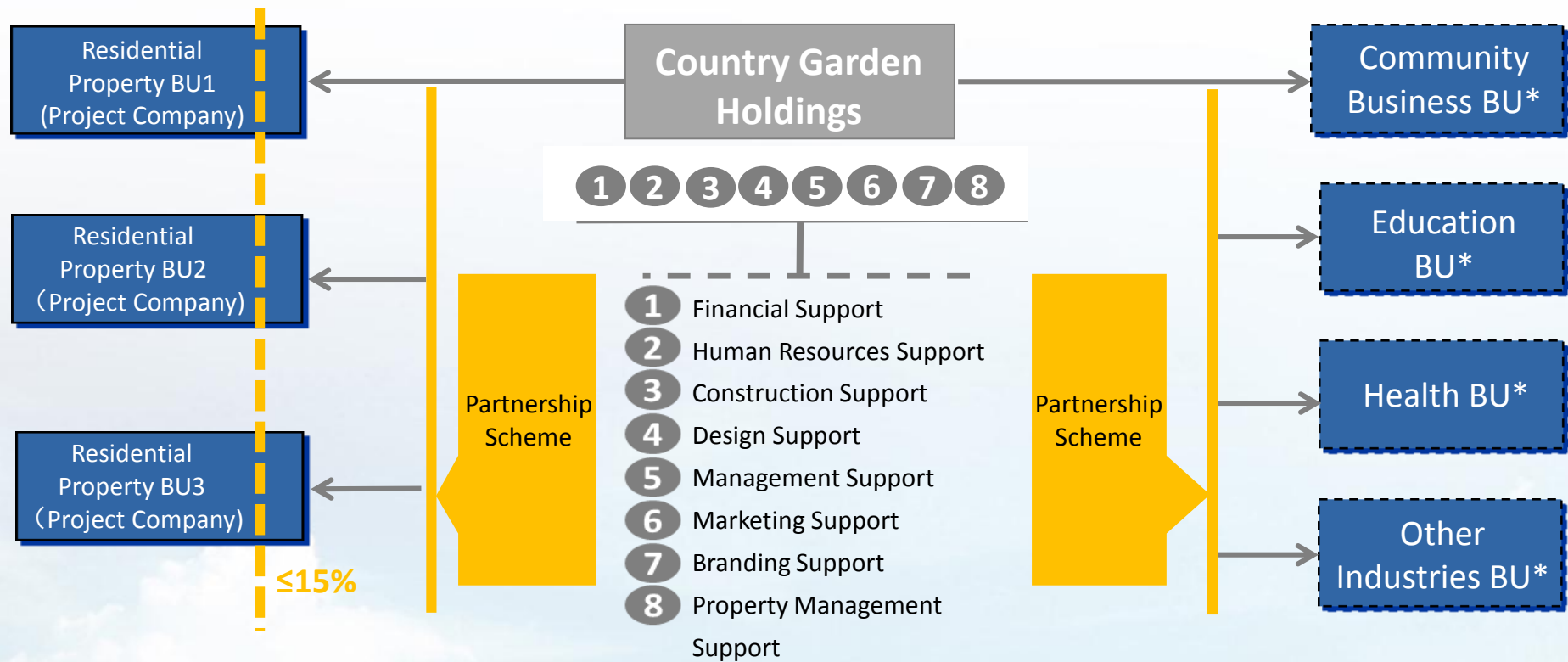
Note:

1. Saleable resources are estimated by calculating expected ASP and GFA.

# Enhancing partnership scheme, assisting in the platforms for community resources integration

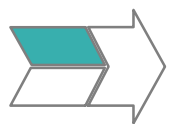
## Partnership Scheme

- Under Country Garden “Project Partnership Scheme”, the company’s projects enabled profit and risk sharing;
- Since October 2014, all new projects acquired by the Company would adopt the co-investment mechanism (the Group and project management are required to invest an equity of no more than 15% in the project);
- The senior management of the Company must invest in the project in the form of minority interests while other employees can participate voluntarily;
- Revenue with capital return generated by the project can be used to invest in another project while the existing projects can dividend out profits.



Note:

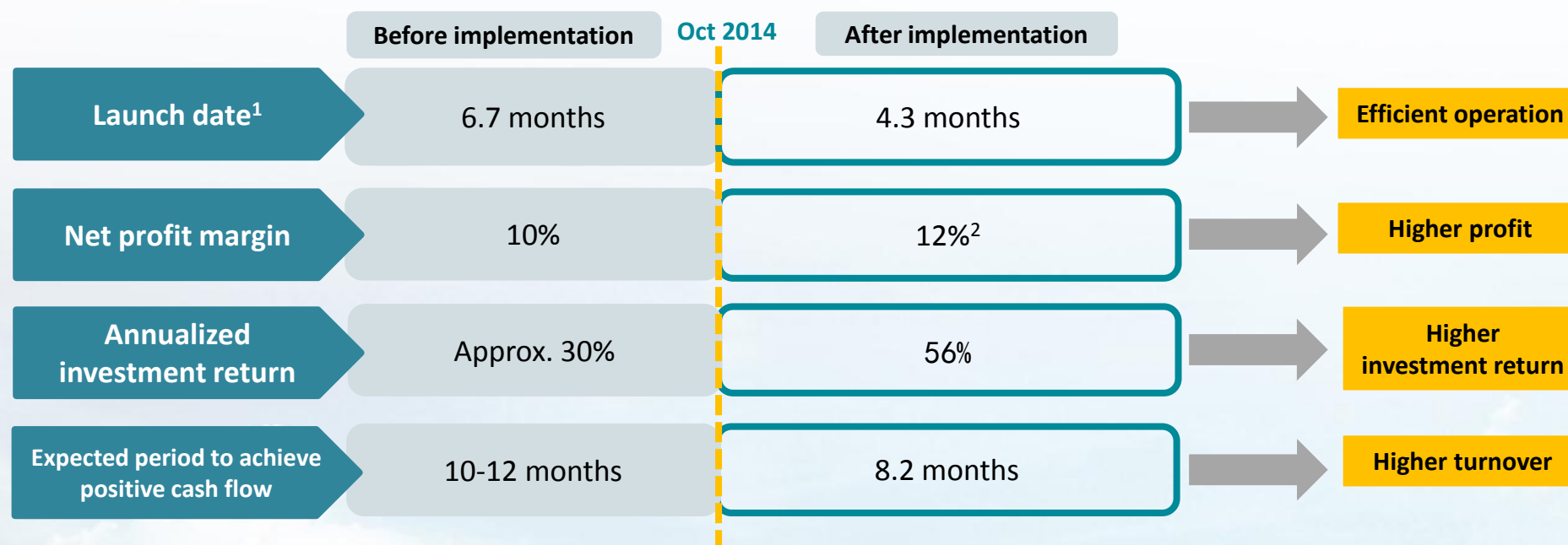
1. \*Some business units are still under planning.



# Partnership scheme achieved outstanding effects

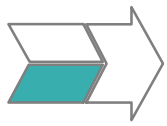
As of end of 2015 :

- Introduced the partnership scheme to 168 projects, among which 73 projects are on sale
- Contracted sales of RMB33.8 billion
- Investment of RMB242 million from the Group level
- Investment of RMB443 million from regional level



Notes:

1. From acquisition of land to pre-sale of project
2. Expected net profit margin for contracted sales in 2015



# Developing community resources integration platform through investment, acquisition and spin-off with 3 major business segments comprising property development, community business, investment and financial business



Developing community resources integration platform through investment, acquisition and spin-off with 3 major business segments comprising property development, community business, investment and financial business; community business with huge potential

■ Community business with huge potential

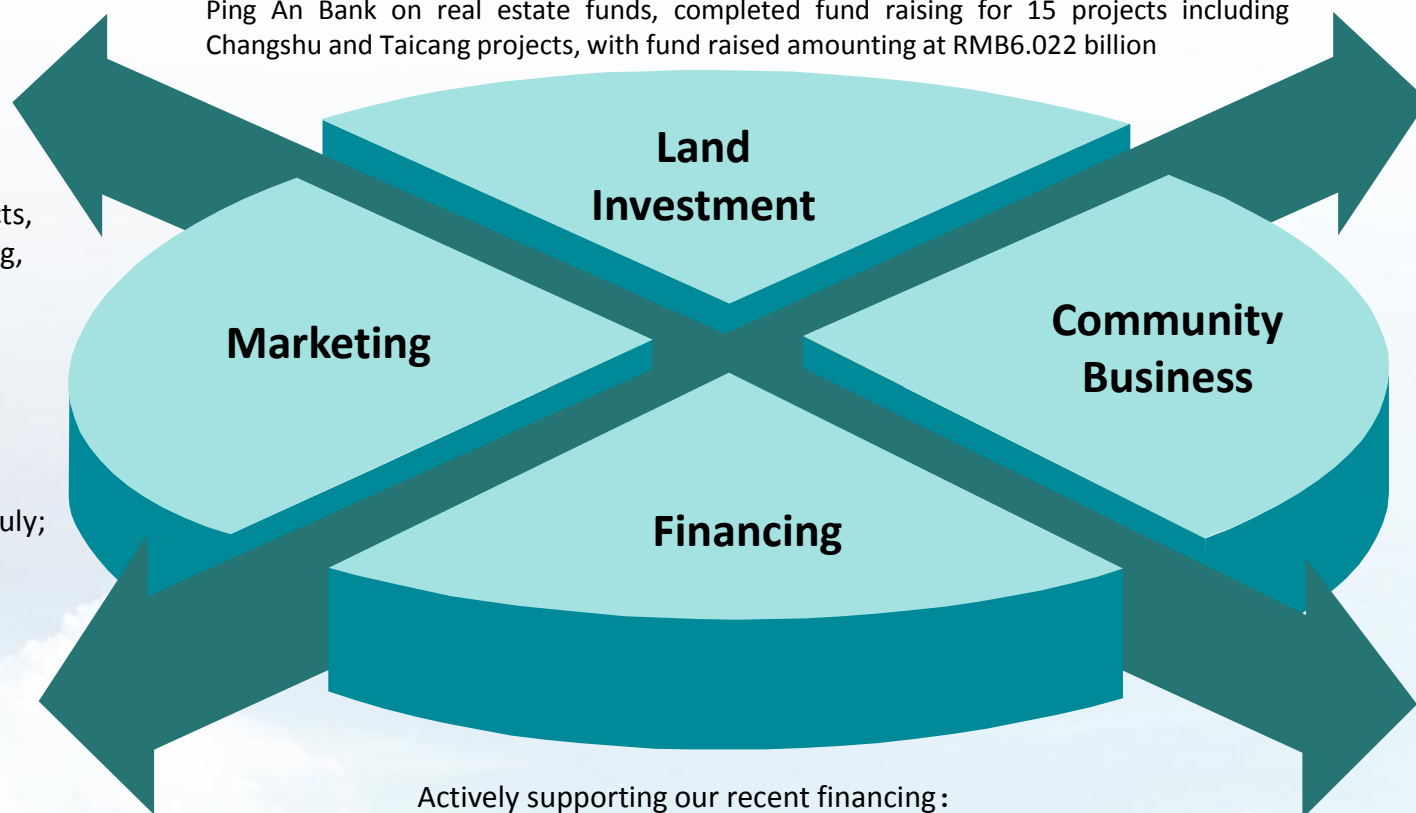
Community Business / Healthcare & Elderly Care	Property Operation
<ul style="list-style-type: none"> <li>• Diversified O2O platform:               <ul style="list-style-type: none"> <li>✓ Community business APP (for users)</li> <li>✓ Butler APP (for in-house property management staff)</li> <li>✓ Community business APP database (management of users, orders, merchants and reporting)</li> </ul> </li> <li>• Broad prospects for the future: 5,000,000 users, 200 property companies, 1,000 collaborating projects</li> <li>• Trial operation of Healthcare &amp; Elderly Care project has started in mature Country Garden communities in Guangzhou, Huizhou and Shunde</li> </ul>	<ul style="list-style-type: none"> <li>• Well-structured with wide coverage to provide value-added services to the real estate business and financial segment</li> <li>• Good O2O interaction and mutual benefits with the community</li> <li>• Business expansion across 2 countries. Contract management area of about 138 million sqm covering 68 cities in 23 provinces, or about 580,000 owners and residents nationwide. Target to expand management area via acquisition of external projects</li> </ul>
Actively seeking asset liquidation / spin-off possibilities	



# Developing community resources integration platform through investment, acquisition and spin-off with 3 major business segments comprising property development, community business, investment and financial business; stable progress partnering with Ping An

- Country Garden introduced Ping An as a strategic investor in April 2015 and raised proceeds of approximately HKD6.30 billion for expansion and as general working capital
- Current strategic cooperation with Ping An is progressing steadily in four aspects: **land investment, marketing, finance and community business**

Cooperating with Lufax, Ping An Real Estate, Ping An Securities, Ping An-UOB Fund and Ping An Bank on real estate funds, completed fund raising for 15 projects including Changshu and Taicang projects, with fund raised amounting at RMB6.022 billion



- In FY2015, 219 projects, including 2 overseas projects, cooperated with Pinganfang, with agents from Ping An participating in business development of projects
- Cooperation on crowd-funding for Beijing project successfully completed in July; Jiading project in Shanghai cooperating with Lufax on fund raising

- Pilot point of Ping An Financial Supermarket launched in Huanan Country Garden
- Cooperation in microfinance business with a pilot project in Jurong, Jiangsu Province

Actively supporting our recent financing:

- Issuance of US\$800 million syndicated loan in July
- Issuance of RMB6 billion domestic corporate debts in August

Developing community resources integration platform through investment, acquisition and spin-off with 3 major business segments comprising property development, community business, investment and financial business; invest in real estate-related business to enhance the community ecological chain



### Introduction

- Established in 2002, engaged in private equity fund management and equity investment business, focused on investment in branded consumer companies, such as Zhou Heiya, Ciming Health Checkup and Dezhou Braised Chicken, etc.

- Established in 2004, engaged in developing a one-stop online portal offering business operation solutions for family services sector, operated “Butler Help” APP in more than a hundred cities in PRC providing services from hourly workers and domestic helpers etc.

### Investment plan

- Country Garden acquired approximately 10% of shares in Tiantu Capital at a consideration of RMB1.188 billion
- Country Garden subscribed the 7th fund managed by Tiantu Capital at RMB125 million

- Country Garden acquired 20% of shares in Emotte at a consideration of RMB97.56 million

### Investment background

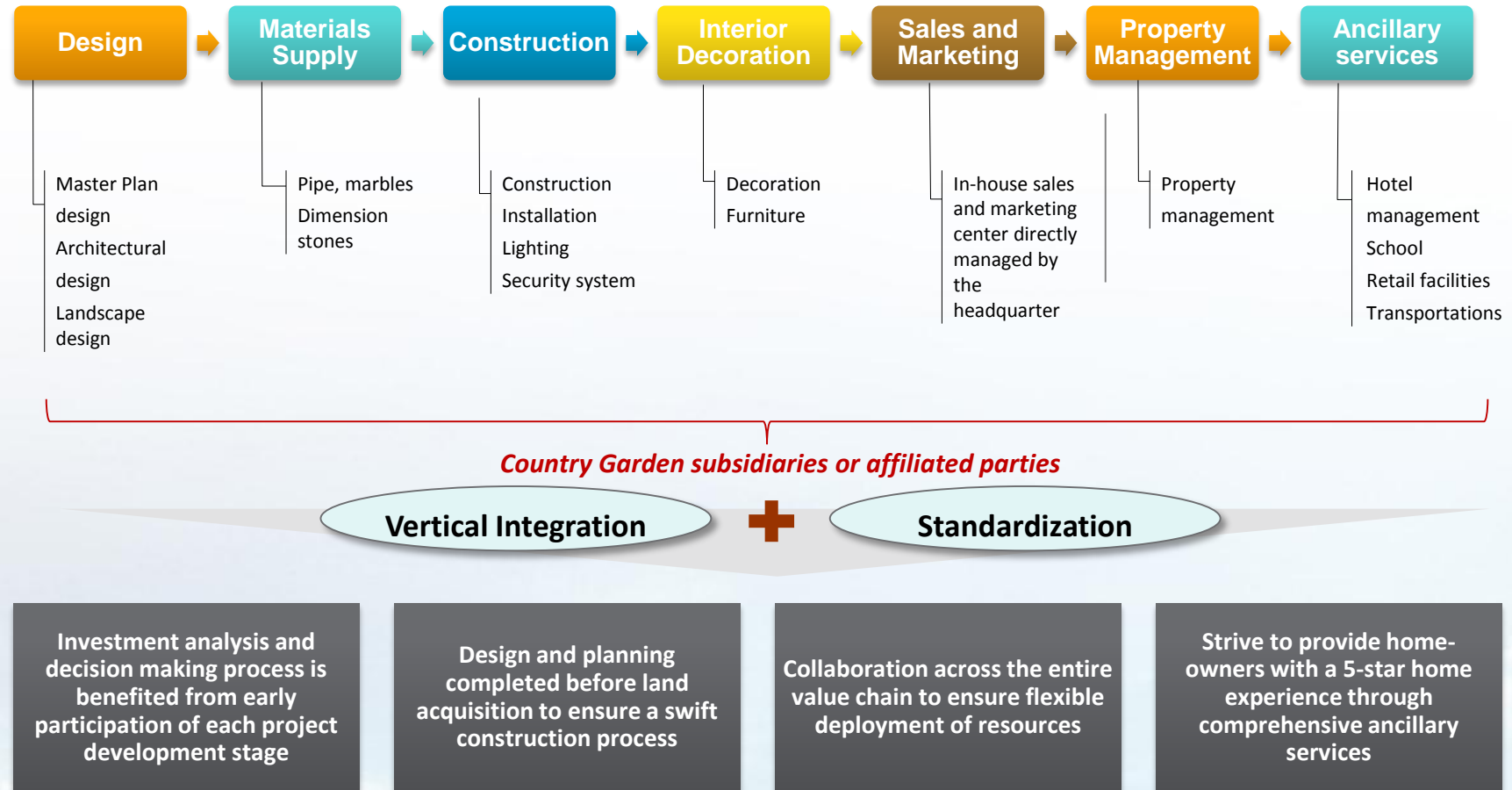
- Tiantu Capital’s profound experience and expertise in consumer sector helps consolidate Country Garden’s value chain of property sector and achieve synergy with the Company’s integrated community ecological chain
- Enhance Country Garden’s asset management capabilities

- O2O housekeeping sector is under the spotlight with huge potential for development
- Offer better experience for buyers to enhance Country Garden’s integrated community ecological chain

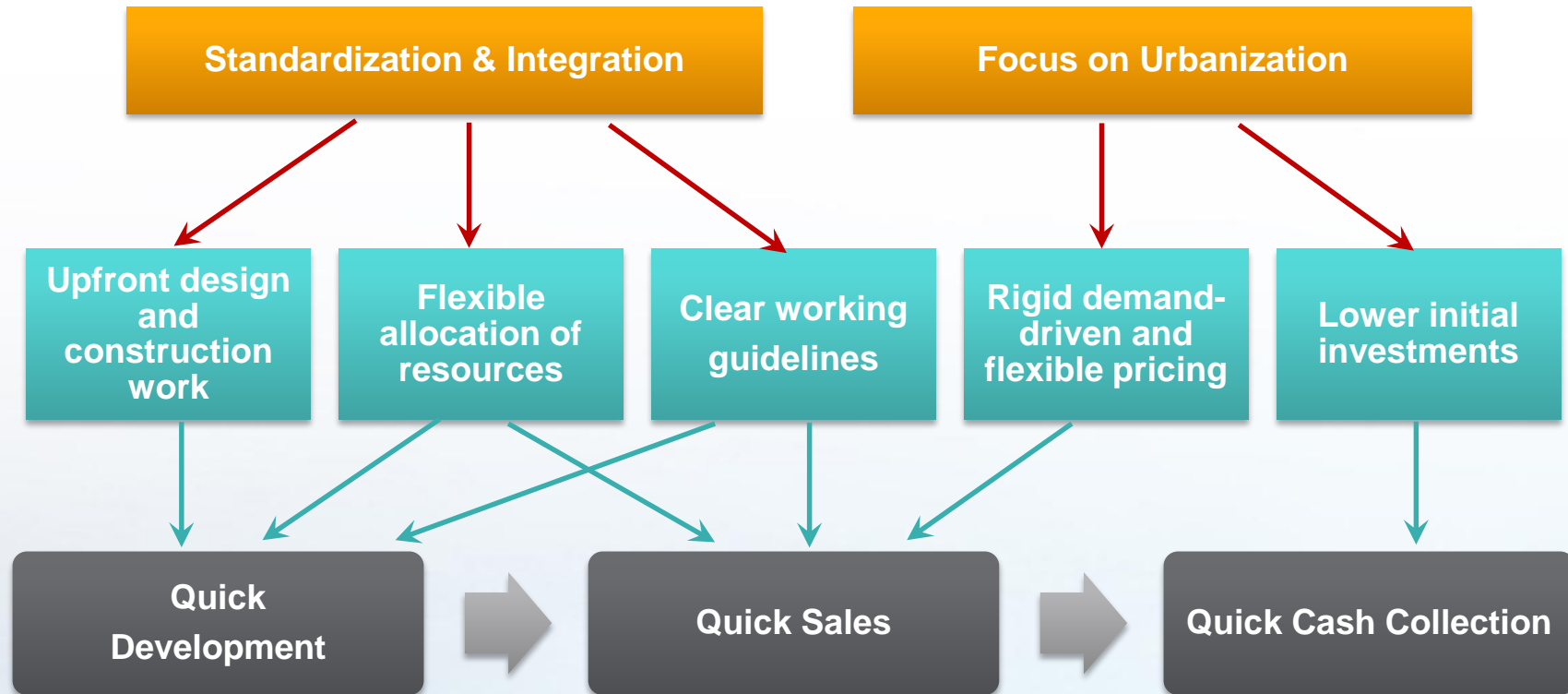
**Continue to invest in real estate-related business to enhance the community ecological chain**

Thank you for your confidence  
and support in Country Garden!

# Appendix 1: Business Model – Integrated and standardized value chain (1/2)



## Appendix 1: Business Model – High asset turnover (2/2)



## Appendix 2: Top 10 projects with the highest contract sales in FY2015

Project Name (Location)	Contracted Sales (RMB bn)	Contracted GFA (thousand sq.m.)
Country Garden – Ten Miles Beach (Guangdong – Huizhou Huidong)	5.31	702
Lanzhou Country Garden (Gansu – Lanzhou Chengguan)	4.85	603
Country Garden – Coral Palace (Hainan – Lingshui Yingzhou)	3.87	247
Country Garden – Phoenix City (Jiangsu – Zhenjiang Jurong)	3.40	583
Sanming Country Garden (Fujian – Sanming Meilie)	2.90	386
Country Garden – Danga Bay (Malaysia – Johor Bahru)	2.31	161
Country Garden – Phoenix City (Guangdong – Guangzhou Zengcheng)	2.12	143
Shanwei Country Garden (Guangdong - Shanwei)	2.10	351
Country Garden – Sun City (Guangdong – Shaoguan Xilian)	2.10	505
Country Garden – Galaxy Palace (Liaoning – Shenyang Yuhong)	1.93	272



## Appendix 3: Top 10 projects by recognized revenue in FY2015

Project Name (Location)	Recognized Revenue (RMB bn)	Recognized Area <sup>1</sup> (thousand sq.m.)
Country Garden - Ten Miles Beach (Guangdong - Huizhou Huidong)	9.01	1,274
Country Garden - Galaxy Palace (Liaoning - Shenyang Yuhong)	6.00	913
Country Garden - Ten Miles Golden Beach (Shandong – Yantai Haiyang)	2.95	445
Country Garden - Eco City (Hubei - Wuhan Hongshan)	2.95	423
Lanzhou Country Garden (Gansu - Lanzhou Chengguan)	2.85	280
Country Garden - Phoenix City (Jiangsu - Zhenjiang Jurong)	2.81	486
Country Garden - City Garden (Anhui - Chuzhou Lai'an)	2.76	599
Anqing Country Garden (Anhui - Anqing Yingjiang)	2.19	478
Shunde Country Garden (Guangdong - Foshan Shunde)	2.11	268
Wuxi Triumph Monte (Jiangsu – Wuxi Xishan)	2.02	279

Note:

1. Including underground area

## Appendix 4: Cash Flow Statement

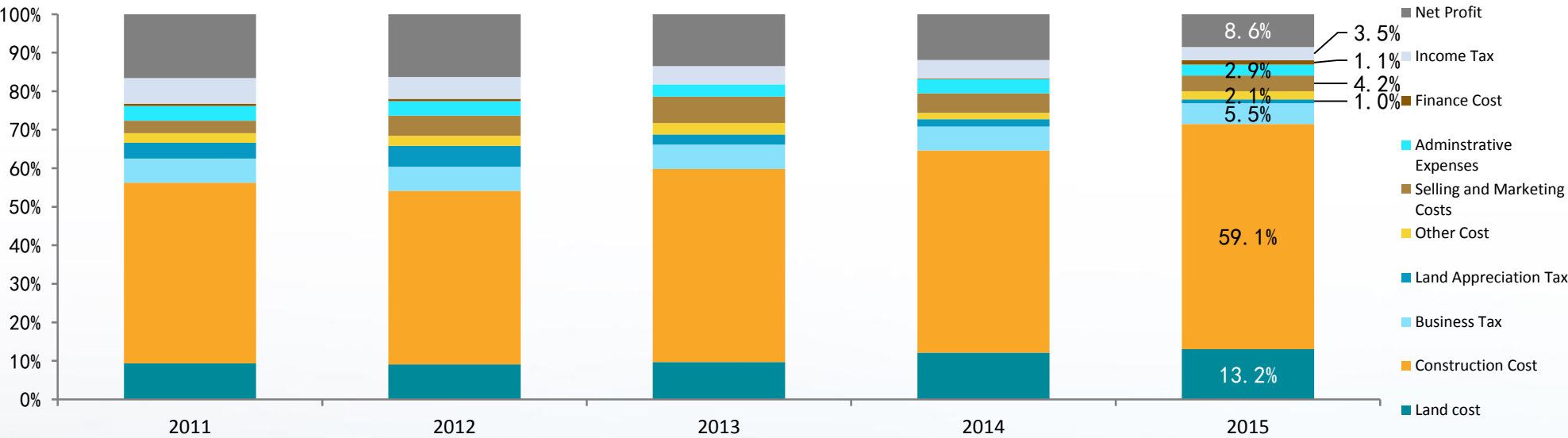
Cash Flow Statement (RMB bn)		
1. Cash flows from operating activities <sup>1</sup>	FY2014	FY2015
Property sales	105.75	117.00
Cash inflow from other segments and other operations	2.20	6.46
Construction payments	-62.90	-70.81
Land acquisition	-20.98	-38.74
Interest paid	-4.69	-5.26
Salary payments and welfare	-9.50	-8.13
Taxes	-13.54	-14.93
<b>Cash flows used in operating activities – net</b>	<b>-3.65</b>	<b>-14.41</b>
2. Cash flows from investing activities(mainly fixed-asset investments)	-4.68	-6.67
3. Cash flows from financing activities		
Equity financing	2.50	4.95
Net proceeds from bank borrowings	4.58	24.33
Net proceeds from perpetual capital securities	3.09	16.44
Dividends paid	-1.51	-4.77
Others	0.25	0.72
<b>Cash flows from financing activities – net</b>	<b>8.91</b>	<b>41.67</b>
4. Exchange losses on cash and cash equivalents	-0.04	0.07
5. Net increase in available cash	0.53	20.66
Add: Available cash at the beginning of the year	26.68	27.21
6. Available cash at the end of the year	27.21	47.87

Note:

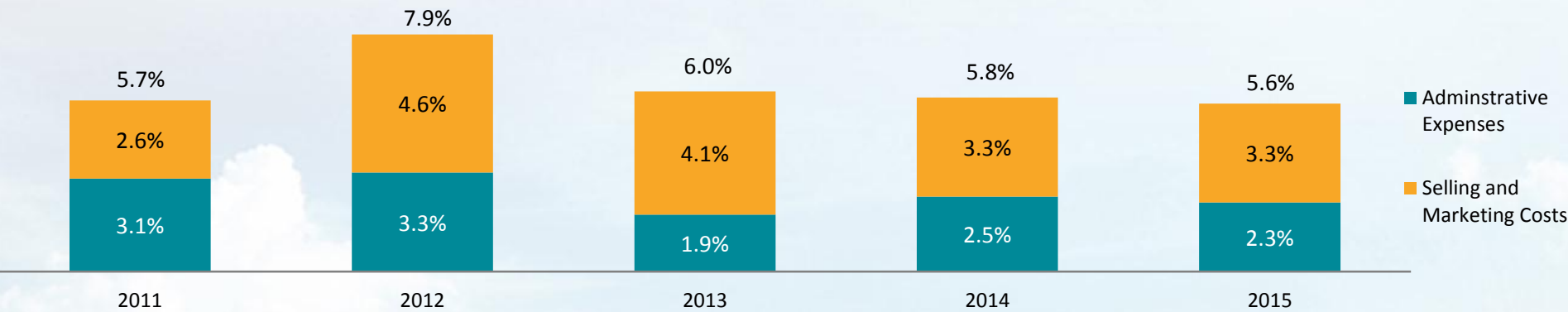
1. Including guarantee deposits for construction of per-sale properties

# Appendix 5: Financial Overview – Costs

Costs and net profit (as % of revenue)

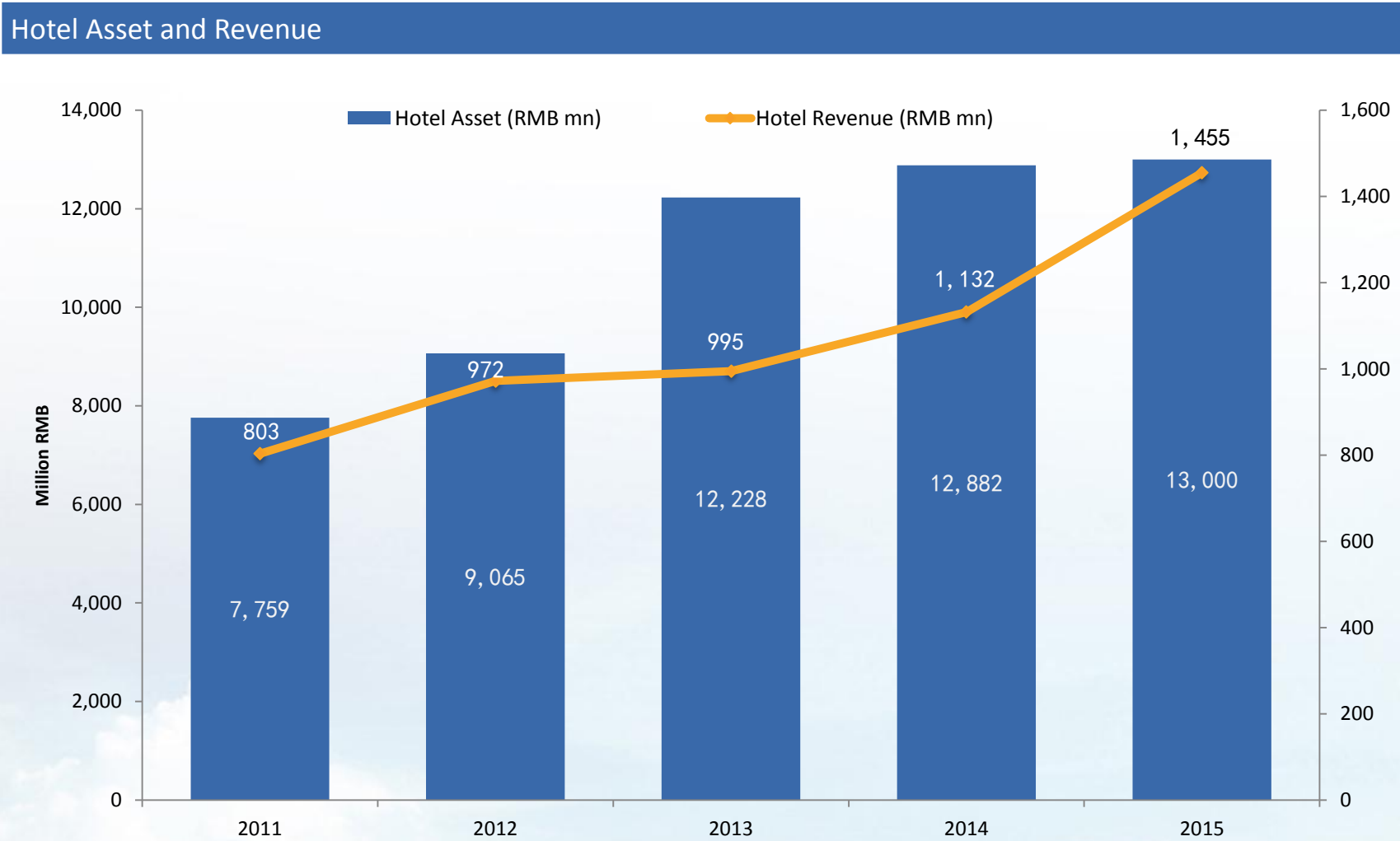


SG&A (as % of contracted sales)



# Appendix 6: Business Overview – Hotels

As of 31 December 2015, the Group owned 59 Hotels, among which 51 are in operation (45 five-star or five-star standard<sup>1</sup> and 6 four-star or four-star standard<sup>1</sup>), with a total of 13,819 guest rooms, and another 8 hotels under construction



Note:

1. Hotels are only allowed to apply for star rating after one year of operation.

## Appendix 6: Business Overview – Investment properties

- Since 2010, in addition to developing community projects, the Group has also developed urban complexes with large commercial centers, large residential communities and five-star hotels, by building a dedicated management team with expertise in planning, design and leasing. The Group has also formed strategic alliance with well-known brands
- The Group set up a dedicated commercial property management company at the end of 2013
- Breakdown of investment properties: 98 communal projects in 15 provinces, 6 large commercial complex projects in Jurong Jiangsu, Shenyang Liaoning, Yunfu Guangdong, Chizhou Anhui, and 1 apartment project in Zhaoqing Guangdong.
- In FY2015, the Group recorded approximately RMB610 million after tax gains on investment properties after revaluation, due to change in the Group's accounting policies since 2014 to recognize the fair value of investment properties on the balance sheet. As of 31 December 2015, the Group's investment property covers a GFA of 1.045 million sq.m. with a fair value of RMB8.69 billion, of which the leased GFA of 583.8 thousand sq.m. carries a fair value of RMB5.01 billion. Investment property rental income amounted to approximately RMB 91.75 million.

Type	Rented			Completed projects (to be rented out)		Under construction		Total	
	GFA (sq.m.)	Fair value (RMB'000)	FY2015 rental income (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)	GFA (sq.m.)	Fair value (RMB'000)
Community stores	359,833	3,332,121	77,624	220,888	1,851,954	56,380	466,700	637,101	5,650,775
Apartments	58,136	206,000	4,985	-	-	-	-	58,136	206,000
Large commercial complex	165,823	1,467,422	9,138	99,437	819,124	84,610	542,974	349,869	2,829,520
Total	583,792	5,005,543	91,747	320,325	2,671,078	140,990	1,009,674	1,045,107	8,686,295