

[For immediate release]



Country Garden Announces Annual Results 2012
Total Revenue Amounted to RMB 41.89 Billion
Profit Attributable to Owners of the Company Reached RMB 6.85 Billion
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Highlights

- Total revenue for the year ended 31 December 2012 amounted to approximately RMB41.89 billion, representing an increase of approximately 20.6% compared with the year 2011; recognized GFA reached approximately 6.16 million sq.m., representing an increase of approximately 4.5% compared with the year 2011.
- Profit attributable to owners of the Company amounted to approximately RMB6.85 billion, representing an increase of approximately 17.9% compared with the year 2011.
- The successful share placement in February 2012 generated net proceeds of approximately HK\$2.14 billion.
- Successfully issued 10-year 7.5% US\$750 million senior notes in January 2013.
- Earnings per share amounted to approximately RMB38.06 cents, increased by approximately 14.3% compared with the year 2011.¹
- Proposed final dividend per share is RMB13.86 cents (in the form of cash and/or shares at the choice of shareholders), increased by approximately 6.9% compared with the year 2011.

(19 March 2013 – Hong Kong) Country Garden Holdings Company Limited ("Country Garden" or the "Group" or the "Company", SEHK stock code: 2007), one of the leading integrated property developers in China, is pleased to announce the annual results for the year ended 31 December 2012.

During the year under review, The Group's total revenue and gross profit reached approximately RMB41,891.0 million and RMB15,339.5 million respectively, representing a year-on-year increase of approximately 20.6% and 27.9%, respectively. Profit attributable to owners of the Company rose to approximately RMB6,852.7 million, posting a year-on-year increase of approximately 17.9%. The Board recommends the payment of final dividend of RMB13.86 cents per share for the year ended 31 December 2012.

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¹ Earnings per share for the year ended 31 December 2011 has been adjusted for the effect of issuance of shares under the scrip dividend scheme in June 2012.

Country Garden, as always, in accordance with national policies, actively responded to the market changes and made timely adjustments to its development and sales plan, offered high value-for-money products to suit the user-oriented demand. Facing the ever-changing market environment, while the Group continued to further enhance the environmental features, ancillary facilities of its projects and its product quality, it also adopted various active and flexible sales strategies and marketing activities which promoted sales and also benefited the Group's long-term sustainable development. The Group achieved contracted sales of approximately RMB47.6 billion, and contracted gross floor area ("GFA") of approximately 7.64 million sq. m. for the year 2012, representing year-on-year growth of approximately 10% and 11% respectively. The average selling price was approximately RMB6,231 per sq. m., which was about the same as that in 2011. Among which, Country Garden – Ten Miles Beach recorded contracted sales of approximately RMB3.49 billion, while Country Garden Phoenix City (Guangzhou) and Country Garden – Galaxy Palace (Shenyang) also achieved contracted sales of approximately RMB2.59 billion and RMB2.25 billion respectively.

In 2012, the Company launched a total of 18 new projects with aggregate transaction amount of approximately RMB9.58 billion. Of which, 11 new projects were located in Guangdong province. On average, over 60% of the units debuted were sold on the first two days of launch of these projects. Among which, Country Garden – Eco City (Wuhan), Country Garden Hill Lake Bay² (Nansha, Guangzhou) and Country Garden – Grand Garden³ (Tangxia, Dongguan) achieved transaction amount of approximately RMB1.53 billion, RMB1.16 billion and RMB1.11 billion respectively during the year.

In 2012, The Group continued to achieve strong results in Guangdong Province, its core market, which accounted for around 60% of the Group's total contracted sales in 2012. Moreover, with the new projects outside Guangdong gradually reaching the delivery phases, and the improvement in the surrounding environment and ancillary facilities of these new projects over the past two to three years, the Board believes that the recognition of Country Garden's brand name has been further enhanced outside Guangdong. This will not only boost the revenue growth of these new projects, but will also set a solid foundation for the long-term development of the Group. The ratio of the contracted sales of the projects outside Guangdong Province to that of the Group has increased from approximately 24% in 2008 to approximately 40% in 2012, which verifies that the Group's successful business model in Guangdong Province is replicable in places outside Guangdong Province.

As of 31 December 2012, the Group had 118 projects under different stages of development, including 67 in Guangdong. Attributable GFA with land use right certificates, development and operation rights or land title was approximately 55.45 million sq.m. (approximately 46% in Guangdong), among which attributable GFA with construction permits was around 14.01 million sq.m..

Alongside the continuing expansion in property development and sales, the Group's hotel business broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. Hotel revenue in 2012 amounted to approximately RMB972.4 million, representing a year-on-year growth of about 21.3%. As of 31 December 2012, the Group operated 7 five-star hotels, 27 five-star standard hotels, as well as 2 four-star hotels, with a total of 11,009 guest rooms. Most of the Group's hotels are located within the Group's property projects. The development of five-star standard hotels within these property projects assists in sales promotion and enhances the ancillary value of the projects. In order to unlock the long-term potential of the hotel business, the Group has teamed up with world renowned hotel management groups such as Hilton and Maritim as a long-term strategy.

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² Also named Country Garden – Tianxi Bay

³ Also named Guanlan Country Garden

With regards to financial management, the Group actively explored various funding channels in the capital markets in addition to its strong bank financing capabilities with major commercial banks. On 29 February 2012, the Group successfully completed share placement which generated net proceeds of approximately HK\$2.14 billion. It helped reduce the Group's gearing level, broaden the capital base and shareholder base of the Company and also increase the liquidity of its shares, but without resulting in significant dilution on the earnings base and the shareholding percentage of the existing shareholders. The Group also announced the early termination of the equity swap, removing the potential overhang on the liquidity and trading of the Company's shares when the equity swap expires in 2013. As of 31 December 2012, the Group's net gearing ratio was approximately 53.9%, representing a decrease of approximately 9.4 percentage points as compared with the level as of 31 December 2011.

Major Business Review

Property development

Revenue generated from property development increased by 20.5% to approximately RMB40,012.0 million in 2012 from approximately RMB33,194.0 million in 2011; primarily attributable to a 15.4% increase in recognized average selling price of property to approximately RMB6,497 per sq.m. in 2012 from approximately RMB5,630 per sq.m. in 2011. The GFA recognized increased by 4.5% to approximately 6,158,231 sq.m. in 2012 from approximately 5,895,762 sq.m. in 2011.

Hotel operation

Revenue generated from hotel operation increased by 21.3% to approximately RMB972.4 million in 2012 from approximately RMB801.7 million in 2011, primarily due to increased revenues from existing hotels and the opening of new hotels such as five-star rating standard Country Garden Phoenix Hotel, Chizhou in June 2012, Country Garden Phoenix Hot Spring Hotel, Taizhou and Country Garden Phoenix Hotel, Tongliao in July 2012 and Country Garden Silver Beach Hotel in October 2012 respectively.

Property management

Revenue generated from property management increased by 15.7% to approximately RMB592.3 million in 2012 from approximately RMB511.7 million in 2011, primarily due to an increase in the cumulative GFA under management resulting from construction completion and delivery of our properties in line with the expansion of our operations.

Cash, debt position and gearing ratio

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB16,860.0 million as at 31 December 2012 (31 December 2011: approximately RMB12,393.4 million). As at 31 December 2012, 94.9% and 5.1% of the Group's cash and bank deposits were denominated in Renminbi and other currencies (mainly US dollars and HK dollars), respectively. The Group had an aggregated debt as at 31 December 2012 of approximately RMB36,912.7 million, including bank borrowings of approximately RMB21,755.6 million, convertible bond of approximately RMB943.9 million, and senior notes of approximately RMB14,213.2 million. For bank borrowings, approximately RMB8,152.3 million will be repayable within 1 year, approximately RMB12,645.4 million will be repayable between 2 and 5 years and the remaining approximately RMB957.9 million to be repayable beyond 5 years. The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalents) over the equity attributable to owners of the Company. As at 31 December 2012, the gearing ratio was 53.9% (31 December 2011: 63.3%).

In addition, in January 2013, Country Garden grasped the market opportunity and issued US\$750 million senior notes with 10-year tenor and 7.5% coupon rate. Part of the net proceeds from the issue has been used to redeem the Company's convertible bonds which matured in February 2013, and the remaining will be used to fund existing and new property projects (including construction costs and land premiums) and for general corporate purposes. The issuance has a longer tenor than the Company's previous issuances but at a lower coupon rate, and received significant oversubscription, which once again, demonstrates investors' confidence in and recognition of the Group's operation model and financial strength.

In the aspect of internal management, the Group further consolidated the achievements from the reforms since 2010. The Group continued to fine-tune its organization structure, management processes and the result-oriented performance appraisal system, meanwhile maintained a close monitoring of the various pre-determined performance indicators imposed on its projects. With a more precise process management, the project execution efficiency and product quality have been greatly enhanced. In addition, the Group has introduced a result-oriented project incentive scheme (including granting cash awards and share options), in order to make it more incentivized and to allow our staff (including executive directors) to better share and enjoy the achievement with the Group together. In order to further enrich its customer service, the Group has established the Customer Relations Management Center in March 2012, the corresponding work of which will be carried out with the mission of "property owners as top priority; to realize value for the customers." The goal here is to continuously enhance customer satisfaction and corporate reputation.

The Company appointed Ms. YANG Huiyan as the Vice Chairman of the Company on 27 March 2012. Ms. YANG joined the Group in 2005 as the Manager of Procurement Department, and was appointed as an executive director of the Company in December 2006. Ms. YANG graduated from Ohio State University with a degree in Marketing and Logistics. Ms. YANG is primarily responsible for the strategic development of the Group.

Looking forward, the Group will continue to strategically select and develop property projects that are in line with national development strategies and the macroeconomic environment, leveraging on the Group's fast track development and strong project execution capabilities to maintain quick asset turnover. We are committed to offering high value-for-money property products, creating value for the society and generating satisfactory returns for our shareholders.

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About Country Garden

Country Garden is one of China's leading integrated property developers. It has standardized operations with business comprising construction, installation, fitting, project management, property management, as well as hotel development and management. In addition, "Country Garden" has been named by the PRC State Administration for Industry and Commerce as "China's Well-Known Trademarks" in the property sector in 2006. The Group became a constituent stock of MSCI Global Standard Indices on 1 September 2007. It also became a constituent stock of Hang Seng Composite Index 200 and Hang Seng Mainland Composite Index on 10 September 2007.

Forward-looking Information

This press release contains forward-looking statements. These forward-looking statements are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the business and financial condition of the Company and its subsidiaries, changes in the condition of the PRC economy and property market, and changes in the capital markets in general.

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