

[For immediate release]



Country Garden Announced Annual Results 2008

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Financial Highlights

- Total revenue for the year 2008 amounted to RMB15,713 million, a decrease of 11.4% compared with the year 2007.
- Profit attributable to equity owners amounted to RMB1,378 million (which included RMB1,242 million fair value loss on equity swap), a decrease of 66.7% compared with the year 2007. The adjusted profit attributable to equity owners would have been RMB2,620 million (a decrease of approximately 36.7% compared with the year 2007) should the aforesaid fair value loss be excluded.
- Earnings per share amounted to RMB8.45 cents.
- Proposed final dividend per share was RMB3.00 cents.

(21 April 2009 - Hong Kong) Country Garden Holdings Company Limited ("Country Garden" or the "Group", SEHK stock code: 2007), one of the leading integrated property developers in China, today announces its annual results for the year ended 31 December 2008.

In 2008, the economic situation and property market in China faced stiff challenges by the international economic environment. The Chinese government reacted promptly through appropriate relaxation of its austerity measures. This has effectively enabled a stable development of Chinese economy during this transition period. We also took note of a series of policies and packages, introduced to stabilize the property market. These austerity measures and packages have provided a cooperative policy environment for the healthy and orderly development of the Chinese property market.

The year 2008 is another remarkable year for the Group since its listing. It is a year of acceleration in its business expansion outside Guangdong Province. The Group launched 23 brand new projects during 2008, 20 of which are located outside Guangdong. Most of these new projects were launched between May and November. The intensive launch of new projects, especially in new markets outside Guangdong, demonstrated Country Garden's strong project execution capability and effective management structure. The accumulation of valuable experience has set a solid foundation for Country Garden's further strategic growth. The Group has already established its presence outside Guangdong such as Hunan Province, Hubei Province, Jiangsu Province, Anhui Province, Liaoning Province, Inner Mongolia Autonomous Region, Heilongjiang Province and Chongqing Municipality. The Group's project launch outside Guangdong, especially the successful sales of its Shenyang projects, evidenced its ability to replicate its successful business model outside Guangdong Province.

As of 31 December 2008, there were 54 projects at different stages of development, 26 of which are located outside Guangdong. The attributable gross floor area (GFA) with land use right certificates was approximately 44.39 million sq. m. Among them, the attributable GFA under development was around 14.30 million sq. m. This has provided the Group sufficient development and land reserves for its future growth.

Alongside the continuous expansion in property development and sales, the Group continues to expand its hotel business to broaden its recurring income stream from non-residential developments, thus diversifying the Group's property income portfolio. As of 31 December 2008, the Group operates 3 five-star hotels and 4 five-star standard hotels, as well as 1 four-star hotel, with a total of 2,323 guest rooms. Most of the Group's hotels are located in the Group's property development projects. Although the contribution from the hotel business is only a small portion of the Group's total revenue, the existence of five-star standard hotels in the property development projects benefits positively the sales and raises the ancillary value of the property projects.

Amid the challenging macro-economic environment and particularly against the scene of the Group's first-ever large-scale business expansion outside Guangdong during the year under review, the Group's total revenue and gross profit reached RMB15,713 million and RMB7,026 million. Profit attributable to equity owners reached RMB1,378 million, which included the fair value loss on equity swap of RMB1,242 million. The adjusted profit attributable to equity owners would have been RMB2,620 million should the aforesaid fair value loss be excluded. The Board of Directors recommended the payment of a final dividend of RMB3.00 cents per share for the year ended 31 December 2008.

Based on the Group's assessment of the future direction of Chinese property market, especially amid the current economic challenges at home and abroad, Country Garden has developed its short-term and long-term growth strategies. First, based on its existing competitive strength in terms of its pricing flexibility due to its unique development model, the Group has adjusted its product offering according to market changes. It has also redesigned its property products and offerings with even more attractive value-to-price ratio. This measure, led by the new product design philosophy, helps Country Garden maintain its competitive edge in terms of speedy cash flow generation while maintaining a reasonable margin. Second, the Group also revised its project operations and management with gradual decentralisation of project management responsibilities that helps improve management efficiencies and effective speeding up of the development cycle, and also improves the Group's ability to respond swiftly to local market changes and helps provide a versatile direction in the strategic selection of appropriate project locations as well as the allocation of respective product mix. Third, the Group has also adopted various measures to reduce its operational costs. With regard to the financial management, the Group continues to seek various funding possibilities, wherever appropriate, in addition to bank financing.

Major Business Review

Property development

Revenue generated from property development amounted to approximately RMB14,736.5 million in 2008 with recognized total gross

floor area ("GFA") of 2,147,592 sq. m. The recognized average selling price of property increased to RMB6,861 per sq. m. in 2008 from RMB6,359 per sq. m. in 2007.

Property management

Property management continues to complement our property development business by providing five-star services to residents, further enhancing the value of our projects. Revenue generated from the property management increased by 32.3% to approximately RMB293.3 million in 2008 from approximately RMB221.7 million in 2007.

Hotel operation

Hotel business continues to expand as new projects develop. As of 31 March 2009, the Group had 3 five-star hotels, 6 five-star standard hotels and 1 four-star hotel. In addition, 9 five-star standard hotels were under construction. The presence of hotels substantially increases the value added to the residential projects. Revenue generated from the hotel operation increased by 27.5% to approximately RMB274.5 million in 2008 from approximately RMB215.3 million in 2007, primarily attributable to the steady increase in the revenue of Yangjiang Country Garden Phoenix Hotel, Changsha Venice Hotel and Taishan Country Garden Phoenix Hotel opening respectively in May, October and December 2007.

Cash, debt position and gearing ratio

The Group's cash and bank deposits amounted to approximately RMB5,734.6 million as at 31 December 2008. Excluding the collateral of RMB1,708.6 million for the equity swap, available cash balance amounted to approximately RMB4,026.0 million. The Group had an aggregated borrowing as at 31 December 2008 of approximately RMB7,826.3 million. The gearing ratio is measured by the net debt (aggregated borrowings plus liability component of convertible bond net of available cash) over the total capital and reserves attributable to equity owners. As at 31 December 2008, the gearing ratio was 40.9%.

Commenting on the annual results of 2008, Mr. Cui Jianbo, President & Executive Director of Country Garden, said, "Looking ahead, Country Garden will continue its development, to be in line with the national development strategies and the macro-economic environment. While maintaining and enhancing strong and sustainable development for projects in Guangdong Province, the Group will assess appropriate opportunities for expansion outside Guangdong. The Group believes that with the increasing maturity of the new project communities and associated property management facilities as well as the increasing recognition of the Company's brand name, the Group will continue to replicate its successful business model in other new high growth regions across China, dedicate its efforts in creating a better society, and generate satisfactory returns for our shareholders.

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About Country Garden

Country Garden is one of China's leading integrated property developers. The Group runs a centralized and standardized management system. It has a centralized and standardized operation 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. 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, as well as a constituent stock of Hang Seng China 50 Index on 30 June 2008.

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