

For immediate release



## Country Garden Announced Interim Results 2009

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### Financial Highlights

RMB million (unaudited)	1H 2009	1H 2008	Change
Revenue	<b>9,203</b>	7,438	+23.7%
Net profit attributable to equity owners	<b>1,816</b>	1,016	+78.8%
Net profit margin	<b>19.7%</b>	13.7%	+6.0ppt
Earnings per share (RMB cents)	<b>11.1</b>	6.2	+79.1%

(25 August 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 interim results for the six months ended 30 June 2009.

Total revenue for the six months ended 30 June 2009 amounted to RMB 9,203 million, an increase of 23.7 % compared with the corresponding period of 2008. Profit attributable to equity owners amounted to RMB 1,816 million, an increase of 78.8 % compared with the corresponding period of 2008 (The adjusted profit attributable to equity owners for the six months ended 30 June 2009 would have been RMB1,385 million, and for the corresponding period of 2008 would have been RMB1,459 million, should the fair value change of equity swap be excluded). Earnings per share were RMB11.1 cents, representing a year-on-year growth of 79.1%. As at the end of June, the Group's available cash balance (including cash and restricted presale proceeds) amounted to approximately RMB6,105 million, up from RMB4,026 million at the end of 2008. The net gearing ratio decreased to 35.7% as at the end of first half of 2009, down from 40.9% at end of 2008, which indicates the Group's solid capital structure. The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2009.

During the period under review, with the Chinese government's timely introduction of appropriate relaxation of its austerity measures in 2008, the Chinese economy gradually showed signs of stabilisation and recovery. The policies implemented in the fourth quarter of 2008 with an aim to stabilizing the property market had also led to a recovery in transaction volume of the overall Chinese property market.

For the six months ended 30 June 2009, the Group achieved contracted sales in terms of gross floor area (GFA) of approximately 1.92 million sq.m., representing a year-on-year growth of 30%. The total contracted sales rose by 6.5% to approximately RMB8,790 million. A new project outside Guangdong, which is located in Jingmen in Hubei province, was launched successfully during the first half of the year, increasing the total number of projects launched outside Guangdong to 22. The development of projects outside Guangdong is still at the initial stage of investment, and the Group expects these new projects to gradually become more mature over the coming years. Many of the projects in Guangdong also went through a similar growth path with different stages of development. Against the backdrop of continuous development of regional economies in China, together with the delivery of those new projects and the improvement in project environment and ancillary facilities, the recognition of Country Garden's brand equity will be further enhanced across these new regions. All these will not only help boost the revenue growth of these new projects, but also lay a solid foundation for the long term development of the Group outside Guangdong.

While gradually realizing its sales target set at the beginning of the year, the Group strategically increased its land bank. After re-evaluating the quantity of its existing land bank as well as the time span of the return on investment for projects across different regions, the Group increased its land bank in Guangdong by 2.01 million sq.m. in terms of GFA during the period under review. As of 30 June 2009, the Group had 58 projects under different stages of development, including 30 in Guangdong. The attributable GFA with land use right certificates was approximately 43.65 million sq.m., among which, the attributable GFA for which we had obtained construction permits was around 13.30 million sq.m.

## **Major Business Review**

### Property development

Revenue generated from property development increased by 24.8% to approximately RMB8,648 million for the six months ended 30 June 2009 from approximately RMB6,932 million for the corresponding period in 2008.

### 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 15.1 % to approximately RMB162 million in the first half of 2009 from approximately RMB141 million for the corresponding period in 2008, primarily attributable to an increase in the cumulative GFA under management resulting from the construction completion and delivery of properties such as Country Garden Phoenix City, Wuyi Country Garden, Shaoguan Country Garden and Heshan Country Garden.

### Hotel operation

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 30 June 2009, the Group had 4 five-star hotels, 5 five-star standard hotels and 1 four-star hotel, with a total of 2,982 guest rooms. Revenue generated from the hotel operation increased by 7.4% to approximately RMB134 million for the six months ended 30 June 2009 from approximately RMB125 million for the corresponding period in 2008, due mainly to the opening of five-star standard Zhaoqing Country Garden Phoenix Hotel and Xinhui Country Garden Phoenix Hotel during the period under review.

Commenting on the interim results of 2009, Mr. Cui Jianbo, President & Executive Director of Country Garden, said, "The Group's property development and sales progress in the first half of the year have been in line with the target set at the beginning of the year. The Group also continued to strengthen various reform measures over the first half of the year. By accurately evaluating the changing demand of customers, the launch of products with modified design was well received by the market, which further accelerated the cash inflow. The reform on project management on the basis of establishing an incentive mechanism has also shown positive effects, representing a further enhancement in development efficiency for new projects. At the same time, the Group continues to adopt stringent cost control measures over development and operation."

Ms. Estella Ng, Chief Financial Officer of Country Garden, said, "With regard to financial management, the Group will continue to seek various funding possibilities, wherever appropriate, in addition to bank financing."

Mr. Cui continued, "It is expected that the Group's contracted sales and new project launch performance will pick up as scheduled in the second half of this year. We are confident on the sales launch of these projects. With the balanced development of and the speeding up of urbanization in the Chinese regional economies, the entire management and staff members of Country Garden are strongly confident and are highly capable in overcoming challenges. The Group will continue to strategically select and develop property projects that are in line with national development strategies and 芽 the macro economic environment. We are committed to offering high quality property products with good value for money, 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. 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.

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