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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

HIGHLIGHTS

- Total revenue for the year ended 31 December 2009 amounted to approximately RMB17.59 billion, representing an increase of approximately 11.9% compared with the year 2008; recognised GFA reached approximately 3.489 million sq.m., representing an increase of approximately 62.5% compared with the year 2008.

- Profit attributable to equity owners amounted to approximately RMB2.08 billion (including the approximately RMB251 million fair value gain on equity swap), representing an increase of approximately 50.9% compared with the year 2008.

- Earnings per share amounted to approximately RMB12.73 cents, increased by approximately 50.7% compared with the year 2008.

- Proposed final dividend per share is RMB4.50 cents, increased by 50.0% compared with the year 2008.

The board of directors (the "Board") of Country Garden Holdings Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2009.

BUSINESS REVIEW AND OUTLOOK

During 2009, with the Chinese government's timely introduction of appropriate relaxation of its austerity measures, the Chinese economy gradually showed signs of stablisation 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.

The Group's contracted sales in 2009 exceeded its full-year target of RMB19 billion, amounting to approximately RMB23.2 billion and contracted GFA totaled approximately 4.75 million sq.m., posting an annual growth of about 32% and 40% respectively.

In addition to the stable increase in sales for existing projects, the Group recorded contracted sales of approximately RMB3.5 billion from 14 newly launched projects during 2009. Among which, 9 projects are located in Guangdong Province. The Group's development model received extensive recognition from buyers of different regions. For instance, Country Garden — Hill Lake City in Hexian, situated in the "one-hour living circle" of West Nanjing, has received strong response since its launch on the National Day of 2009. Nearly 1,000 units were sold within three months and contracted sales amounted to approximately RMB800 million. Moreover, Shanwei Country Garden in Guangdong Province was launched in mid-November. Transaction amount in the first three days totaled over RMB550 million. Other new projects such as Country Garden — Lychee Park in Guangdong, Maoming Country Garden and Country Garden — Park Prime in Heshan were also well received by the market and recorded encouraging sales performance. The Group continued to achieve strong results in Guangdong Province, its core market, in 2009, which accounted for 67% of the Group's total contracted sales.

It is worth pointing out that although the Group has commenced the scale development of its projects outside Guangdong Province (contracted sales of such projects accounted for 33% of the Group's contracted sales in 2009), most of these projects only have their initial launch for pre-sale within a year. We expect with the gradual delivery of these projects and the improvement in project environment and ancillary facilities, the recognition of Country Garden's brand name will be further enhanced across these new regions. All these will not only be able to boost the revenue growth of these new projects, but also lay a solid foundation for the long term development of the Group.

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 Company strategically increased its land bank with focus in Guangdong Province. As at 31 December 2009, the Group has 65 projects under different stages of development, including 36 in Guangdong. Attributable GFA with land use right certificates was approximately 40.43 million sq.m. (43% in Guangdong), among which attributable GFA with construction permits was around 13.16 million sq.m.

With the increased land acquisition in Guangdong in 2009, the Group's new projects to be launched for pre-sale in 2010 is also expected to be mainly in this region. We are confident with the sales performance of these new projects. For example, Country Garden — Grand Garden, located in Zengcheng Guangzhou, was launched during the 2010 Lunar New Year. The initial launch of 439 units was completely sold out in the first two days at a transaction amount of approximately RMB560 million.

Alongside the continuous expansion in property development and sales, the Group's hotel business broadens its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. Hotel revenue in 2009 amounted to approximately RMB314.3 million, representing a year-on-year growth of 14.5%. As at 31 December 2009, the Group operates 4 five-star hotels, 7 five-star standard hotels, as well as 1 four-star hotel with a total of 3,654 guest rooms. Most of the Group's hotels are located within the Group's property projects. The development of five-star standard hotels in the property projects will assist in sales promotion and enhance the ancillary value of the projects. The Group is currently in discussion with a few high caliber international hotel management firms aiming at further unlocking the long-term value potential of the hotel business segment.

The financial performance for the year under review reflected the volatility of the macro economy, especially the impact dated back to the second half of 2008. It also reflected the progress new project development outside Guangdong Province, many of which are still in the initial stage. During the year under review, the Group's total revenue and gross profit reached RMB17,585.7 million and RMB4,650.1 million. Profit attributable to equity owners amounted to RMB2,079.8 million; which included the fair value gain on equity swap of RMB251.4 million. The board of directors recommended the payment of a final dividend of RMB4.50 cents per share for the year ended 31 December 2009.

2009 is a year of experience consolidation and evaluation for Country Garden. It is also a year of tactical adjustment, reform and innovation for the Group. The Company believes that, coming through the global financial crisis, the further balancing of Chinese regional economies development as well as the speeding up of the urbanization process brought by the post-crisis structural adjustments of the Chinese economy, enabled Country Garden to further evaluate and prove the strong replication capability and sustainability of its business model, so as to provide large quantities of quality residential properties to the society and the general public at affordable prices. This helps develop quality residential communities with high accessibility and comprehensive ancillary facilities for a greater number of home buyers.

To achieve its goal, the Group continues to strengthen various reform measures in 2009. By evaluating the changing demand of customers, the Group adopted more stringent quality control of its product and encouraged product design innovation. The Company believes that the launch of new products was well received by the market, which accelerated the Group's cash inflow. The corporate initiatives on project management on the basis of strengthening execution and the establishment of an effective incentive mechanism has also shown positive effects, resulting in further enhancement of development efficiency for new projects. At the same time, the Group continues to adopt stringent cost control measures over development and operation. With regard to financial management, the Group actively explored various funding channels in the capital market in addition to its strong bank financing capabilities with major commercial banks. In September 2009, the Group successfully issued senior notes with a 5-year tenure in an aggregate amount of USD375 million, which reflected investors' confidence in the Group's business model and financial strength.

With the continuous development of the Chinese economy, the entire management team and all staff members of Country Garden are strongly confident in the Group's ability to overcome future challenges. The Group will continue to strategically select and develop property projects that are in line with national development strategies and macro economic environment. We are committed to offering value-for-money property products, creating value for the society and generating satisfactory returns for our shareholders.

Consolidated Balance Sheet

	Note	As at 31 December 2009 RMB'000	2008 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,878,360**	2,841,970
Investment property		**141,231**	148,865
Intangible assets		**13,425**	13,342
Land use rights		**10,058,674**	7,596,813
Available-for-sale financial assets		**—**	29,999
Properties under development		**3,945,318**	3,949,275
Deferred income tax assets		**964,257**	1,092,357
Other assets		**2,040,000**	—
		21,041,265	15,672,621
Current assets			
Land use rights		**6,145,479**	6,042,427
Properties under development		**15,024,327**	14,992,197
Completed properties held for sale		**4,165,665**	3,205,398
Inventories		**329,356**	154,347
Trade and other receivables	3	**7,058,467**	3,338,589
Prepaid taxes		**1,509,939**	974,874
Restricted cash		**3,815,334**	2,728,115
Cash and cash equivalents		**4,608,708**	3,006,492
		42,657,275	34,442,439
Total assets		**63,698,540**	50,115,060
EQUITY			
Equity attributable to the equity owners			
Share capital and premium		**14,925,651**	14,686,574
Reserves		**1,093,181**	859,729
Retained earnings			
— proposed final dividend		**740,320**	490,800
— others		**4,169,664**	3,063,640
		20,928,816	19,100,743
Minority interest		**370,858**	279,926
Total equity		**21,299,674**	19,380,669

	Note	As at 31 December 2009 *RMB'000*	2008 *RMB'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**7,638,003**	5,003,250
Convertible bond	4	**4,278,511**	4,018,482
Senior notes	5	**2,602,423**	—
Deferred government grants		**107,780**	—
Derivative financial instruments	6	**990,124**	1,241,530
Deferred income tax liabilities		**383,413**	339,196
		16,000,254	10,602,458
Current liabilities			
Advanced proceeds received from customers		**14,039,707**	9,113,623
Trade and other payables	7	**6,563,231**	5,485,674
Income taxes payable		**2,545,013**	2,709,572
Bank borrowings		**3,250,661**	2,823,064
		26,398,612	20,131,933
Total liabilities		**42,398,866**	30,734,391
Total equity and liabilities		**63,698,540**	50,115,060
Net current assets		**16,258,663**	14,310,506
Total assets less current liabilities		**37,299,928**	29,983,127

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December **2009** *RMB'000*	2008 *RMB'000*
Revenue	8	**17,585,704**	15,712,790
Cost of sales	10	**(12,935,610)**	(8,687,206)
Gross profit		**4,650,094**	7,025,584
Other gains — net	9	**188,745**	51,254
Selling and marketing costs	10	**(324,615)**	(528,882)
Administrative expenses	10	**(855,584)**	(1,046,031)
Operating profit		**3,658,640**	5,501,925
Finance income		**70,505**	74,762
Finance costs		**(722,425)**	(1,073,832)
Finance costs — net	11	**(651,920)**	(999,070)
Fair value changes on derivative financial instruments		**251,406**	(1,241,530)
Profit before income tax		**3,258,126**	3,261,325
Income tax expenses	12	**(1,132,398)**	(1,846,310)
Profit for the year		**2,125,728**	1,415,015
Other comprehensive income		**—**	—
Total comprehensive income for the year		**2,125,728**	1,415,015
Profit and total comprehensive income attributable to:			
Equity owners of the Company		**2,079,796**	1,378,207
Minority interest		**45,932**	36,808
		2,125,728	1,415,015
Earnings per share attributable to the equity holders of the Company (expressed in RMB cents)			
Basic and diluted	13	**12.73 cents**	8.45 cents

		2009 *RMB'000*	2008 *RMB'000*
Dividends	14	**740,320**	490,800

Notes:

1 GENERAL INFORMATION

Country Garden Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding, and its subsidiaries (collectively the "Group") were principally engaged in the property development, construction, fitting and decoration, property management and hotel operation.

The Company is listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in units of Renminbi ("RMB") thousand Yuan, unless otherwise stated and have been approved for issue by the board of Directors of the Company on 30 March 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in accounting policy and disclosures

(a) New and amended standards and new interpretations adopted by the group

The group has adopted the following new and amended HKFRSs and new interpretations as of 1 January 2009:

HKFRS 7 'Financial Instruments — Disclosures' (amendment) — effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

HKAS 1 (revised). 'Presentation of financial statements' — effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

HKAS 23 (revised) 'Borrowing Costs'. In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The group previously recognised all borrowing costs as an expense immediately. This change in accounting policy was due to the adoption of this revised standard in accordance with the transition provisions of the standard; comparative figures have not been restated. The adoption of the revised HKAS 23 resulted in:

	31 December 2009
	RMB'000
Increase in properties under development	**403,359**

	For the year ended 31 December 2009
	RMB'000
Decrease in finance costs — net	**403,359**
Increase in basic and diluted earnings per share (RMB cents)	**2.47**

HK(IFRIC)-Int 15, 'Agreements for construction of real estates' supercedes HK Int-3, 'Revenue — Pre-completion contracts for the sale of development properties'. HK(IFRIC)-Int 15 clarifies whether HKAS 18, 'Revenue' or HKAS 11, 'Construction contracts' should be applied to particular transactions. The adoption of this interpretation did not have any material impact on the Group's financial statements.

HKFRS 8, 'Operating segments' (effective 1 January 2009).The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16). Property that is under construction or development for future use as investment property is within the scope of HKAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable. The amendment did not have any impact on the Group's operations, as no investment properties under construction or development for future use are held by the Group.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group:

The following standards and amendments to existing standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not early adopted them:

HK(IFRIC) 17 'Distribution of non-cash assets to owners'

HKAS 27 (revised), 'Consolidated and separate financial statements'

HKFRS 3 (revised), 'Business combinations'

HKAS 38 (amendment), 'Intangible assets'

HKFRS 5 (amendment), 'Measurement of non-current assets'

HKAS 1 (amendment), 'Presentation of financial statements'

HKFRS 2 (amendments), ‘Group cash-settled share-based payment transactions’

HK(IFIC)-Int 19 ‘Extinguishing financial liabilities with equity instruments’

HKFRS 9, ‘Financial instruments’

3 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Trade receivables *(note (a))*	**383,470**	300,519
Land auction deposits	**1,144,818**	76,915
Other receivables	**589,329**	263,911
Amounts due from customers for contract work *(note (b))*	**236,203**	358,300
Prepayments for land *(note (c))*	**4,096,587**	1,997,559
Other prepayments — third parties	**611,017**	344,342
Less: Provision for impairment of receivables	**(2,957)**	(2,957)
	7,058,467	3,338,589

As at 31 December 2009, the fair value of trade and other receivables approximates their carrying amounts.

Notes:

(a) Trade receivables are mainly arisen from rendering of construction services and sales of properties. Customers are generally granted credit terms of 1 to 3 months for construction business and no credit terms for property development business. The ageing analysis of trade receivables is as follows:

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Within 90 days	**317,034**	249,441
Over 90 days and within 180 days	**33,800**	20,163
Over 180 days and within 365 days	**17,848**	24,544
Over 365 days	**14,788**	6,371
	383,470	300,519

Trade receivables which are past due are analysed as follows:

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Fully performing under credit terms	**317,034**	249,441
Past due but not impaired	**66,436**	51,078
	383,470	300,519

For past due but not impaired receivables, the Group has the right to cancel the sales contracts and take over the legal title and possession of the underlying properties for re-sales. Therefore, the directors consider that the receivables would be recovered and no provision was made against past due receivables as at 31 December 2009 (2008: nil).

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

(b) Amounts due from customers for contract work at each of the balance sheet date are as follows:

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Cost incurred	**3,648,369**	3,438,876
Recognised profits (less recognised losses)	**1,647,801**	1,480,054
	5,296,170	4,918,930
Less: progress billings	**(5,059,967)**	(4,560,630)
	236,203	358,300
Represented by:		
Amounts due from customers	**236,203**	358,300
Including: Related companies	**175,110**	292,624
Third parties	**61,093**	65,676

(c) Prepayments for land are related to acquisition of land use rights upon successfully bidding at the land auctions conducted by the PRC government. The relevant land use right certificates have not been obtained at 31 December 2009.

4 CONVERTIBLE BOND

On 22 February 2008, the Company issued a RMB denominated USD settled 2.5% convertible bond (the "Bond") due 2013, of an initial principal amount of US$500 million (equivalent to approximately RMB3,595 million). On 3 March 2008, due to over — subscription of the Bond, the principal amount of the Bond was increased to US$600 million (equivalent to approximately RMB4,314 million). At the option of bond holders, the aggregate amount of RMB4,314 million will be convertible into fully paid shares with a par value of HK$0.1 each of the Company. The value of the liability component RMB3,781.3 million and the equity conversion component RMB424.8 million, net of transaction cost of RMB107.9 million, were determined at issuance of the Bond.

The Bond matures in five years (February 2013) from the issue date at 121.306% of the nominal value or can be converted into ordinary shares of the Company on or after 3 April 2008 at contracted price (the initial conversion price is HK$9.05 per share) at a fixed exchange rate of RMB0.922 to HK$1.

Also, at the option of the bond holders, the Company will redeem some or all of the Bond on 22 February 2011 at the U.S. dollar equivalent of their principal amount in RMB multiplied by 111.997%, together with accrued but unpaid interest to the date of redemption.

The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the bond. The residual amount, representing the value of the equity conversion component, is accounted for as a conversion option reserve included in other reserves.

The convertible bond recognised in the balance sheet was calculated as follows:

	RMB'000
For the year ended 31 December 2008	
Face value of the convertible bond issued	4,314,000
Equity component	(424,821)
Transaction costs	(107,850)
Liability component on initial recognition at 22 February 2008	3,781,329
Interest expenses (note 11)	291,078
Interest paid	(53,925)
Liability component as at 31 December 2008	4,018,482
For the year ended 31 December 2009	
Liability component as at 1 January 2009	4,018,482
Interest expenses (note 11)	367,879
Interest paid	(107,850)
Liability component as at 31 December 2009	4,278,511

Interest expenses on the liability component of the convertible bond are calculated using the effective interest method, applying the effective interest rate of 9.24% per annum to the liability component.

The fair value of the liability component of the convertible bond at 31 December 2009 amount to RMB4,454,205,000. The fair value is calculated using the market price of the convertible bond on the balance sheet date (or the nearest day of trading).

Up to 31 December 2009, there was no conversion or redemption of the convertible bond.

5 SENIOR NOTES

On 2 September 2009, the Company issued senior notes in an aggregate principal amount of US$300,000,000. On 16 September 2009, the Company made an additional issue of senior notes in an aggregated principal amount of US$75,000,000 (collectively the "Notes"). The Notes are listed on the Singapore Exchange Securities Trading Limited. The Notes carry interest at the rate of 11.75% per annum, payable semi-annually on 10 March and 10 September in arrears, and will mature on 10 September 2014, unless redeemed earlier.

At any time, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus certain premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to 10 September 2012, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 111.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The Notes contain a liability component and the above early redemption options:

(i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

    The interest charged for the year is calculated by applying an effective interest rate of approximately 12.11% per annum to the liability component since the Notes were issued.

(ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant on initial recognition and at 31 December 2009.

The Notes recognised in the balance sheet were calculated as follows:

	2009
	RMB'000
Initial fair value on the date of issuance	**2,527,698**
Exchange gains	**(1,743)**
Interest expenses (note 11)	**76,468**
Carrying amount as at 31 December 2009	**2,602,423**

The fair value of the Notes at 31 December 2009 amount to RMB2,568,794,000. The fair value is calculated using the market price of the Notes on the balance sheet date (or the nearest day of trading).

6 DERIVATIVE FINANCIAL INSTRUMENTS

Upon the issue of the RMB denominated USD settled 2.5% convertible bond as disclosed in note 4, the Company entered into a cash settled equity swap transaction (the "Equity Swap") for the Company's shares up to a value of US$250 million (equivalent to approximately HK$1,950 million) on 22 February 2008. Under the Equity Swap, the Company will either receive a payment from or settle a payment to Merrill Lynch International if the final price is higher or lower than the initial price upon termination of the Equity Swap. The initial price was determined in accordance with the formula as set out in the Equity Swap contract, and the final price will be determined with reference to the arithmetic mean of the relevant prices of the Company's shares on specified averaging dates upon termination of the Equity Swap. Besides, the termination date of the Equity Swap will be determined based on the earlier of 2013 or a date when certain condition as stipulated in the Equity Swap contract is fulfilled.

According to the equity swap transactions entered with Merrill Lynch International, Merrill Lynch International would pay the Company an amount equivalent to the number of shares under equity swap multiplied by the dividend per Company's share as a return of the Equity Swap.

Derivative financial instruments liabilities as at balance sheet date are as follows:

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Equity Swap	**990,124**	1,241,530

The derivative financial instruments are classified as a non-current liability according to the terms defined in the agreement with Merrill Lynch International.

During the effective period of the Equity Swap, the Company has put up collateral in the amount of US$250 million (equivalent to approximately RMB1,707 million) (the "Collateral") to Merrill Lynch International. Prior the termination date of the Equity Swap, the change in fair value of the Equity Swap caused by fluctuation in the share price shall not pose any effect on the cash flow or normal operation of the Company.

As at the termination date of the Equity Swap, the maximum loss caused by the Equity Swap due to decrease in the share price shall not exceed the value of the Collateral, being US$250 million (equivalent to approximately RMB1,707 million).

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Trade payables *(note)*	**4,170,017**	3,851,857
Other payables — third parties	**1,652,528**	971,931
Other taxes payable	**283,111**	285,609
Staff welfare benefit payable	**409,546**	324,607
Accrued expenses	**48,029**	51,670
	6,563,231	5,485,674

The carrying amounts of trade and other payables approximate their fair values.

Note:

The aging analysis of trade payables was as follows:

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Within 90 days	**3,948,097**	3,733,858
Over 90 days and within 180 days	**94,430**	35,656
Over 180 days and within 365 days	**57,531**	34,849
Over 365 days	**69,959**	47,494
	4,170,017	3,851,857

8 SEGMENT INFORMATION

The executive directors of the Company (the "ED") reviews the Group's internal reporting in order to assess performance and allocate resources. The ED has determined the operating segments based on these reports.

The ED consider the business from product perspective. From a product perspective, ED assesses the performance of:

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

The ED 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 property, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude available-for-sale financial assets, deferred tax assets and collateral for equity swap. Segment liabilities consist primarily of operating liabilities. They exclude bank borrowings, convertible bond, senior notes, derivative financial instrument, deferred income tax liabilities and income tax payable.

Capital expenditure comprises additions to property, plant and equipment, investment property and intangible assets.

Revenue consists of the following:

	Year ended 31 December 2009 RMB'000	2008 RMB'000
Sales of properties	**16,544,904**	14,736,509
Rendering of construction and decoration services	**377,240**	408,465
Rendering of property management services	**349,276**	293,295
Rendering of hotel services	**314,284**	274,521
	17,585,704	15,712,790

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

Over 90% of the Group's 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 presented.

The Group has a number of customers, no revenue from a customer exceed 10% or more of the Group's revenue.

The segment information provided to the ED for the reportable segments for the year ended 31 December 2009 is as follows:

	Property development *RMB'000*	**Construction, fitting and decoration** *RMB'000*	**Property management** *RMB'000*	**Hotel operation** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**16,544,904**	**4,518,189**	**350,479**	**319,714**	**21,733,286**
Inter-segment revenue	**—**	**(4,140,949)**	**(1,203)**	**(5,430)**	**(4,147,582)**
Revenue (from external customers)	**16,544,904**	**377,240**	**349,276**	**314,284**	**17,585,704**
Operating profit	**3,595,736**	**45,269**	**95,549**	**(77,914)**	**3,658,640**
At 31 December 2009					
Total segment assets	**54,933,160**	**1,621,345**	**226,281**	**4,246,447**	**61,027,233**
Capital expenditure	**230,370**	**18,118**	**1,097**	**1,031,613**	**1,281,198**
Total segment liabilities	**18,175,003**	**1,893,211**	**183,031**	**459,473**	**20,710,718**

The segment information for the year ended 31 December 2008 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property management RMB'000	Hotel operation RMB'000	Total Group RMB'000
Segment revenue	14,736,509	10,617,889	304,270	283,173	25,941,841
Inter-segment revenue	—	(10,209,424)	(10,975)	(8,652)	(10,229,051)
Revenue (from external customers)	14,736,509	408,465	293,295	274,521	15,712,790
Operating profit	5,500,401	81,693	21,773	(101,942)	5,501,925
At 31 December 2008					
Total segment assets	42,542,651	1,248,218	210,914	3,282,272	47,284,055
Capital expenditure	646,458	42,908	6,200	856,642	1,552,208
Total segment liabilities	12,520,200	1,579,591	229,947	269,559	14,599,297

Reportable operating profits are reconciled to net profit as follows:

	31 December 2009 *RMB'000*	31 December 2008 *RMB'000*
Total operating profit	**3,658,640**	5,501,925
Financial costs — net	**(651,920)**	(999,070)
Fair value change on derivative financial instruments	**251,406**	(1,241,530)
Profit before income tax	**3,258,126**	3,261,325
Income tax expenses	**(1,132,398)**	(1,846,310)
Profit for the year	**2,125,728**	1,415,015

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

	31 December 2009 *RMB'000*	31 December 2008 *RMB'000*
Total segment assets	**61,027,233**	47,284,055
Available-for-sale financial assets	**—**	29,999
Deferred income tax assets	**964,257**	1,092,357
Collateral for equity swap	**1,707,050**	1,708,649
Total assets per consolidated balance sheet	**63,698,540**	50,115,060
Total segment liabilities	**20,710,718**	14,599,297
Deferred income tax liabilities	**383,413**	339,196
Income tax payable	**2,545,013**	2,709,572
Derivative financial instruments	**990,124**	1,241,530
Bank borrowings	**10,888,664**	7,826,314
Convertible bond	**4,278,511**	4,018,482
Senior notes	**2,602,423**	—
Total liabilities per consolidated balance sheet	**42,398,866**	30,734,391

9 OTHER GAINS — NET

	Year ended 31 December	
	2009	**2008**
	RMB'000	*RMB'000*
Gain on disposal of available-for-sale financial assets *(Note)*	**113,996**	—
Forfeiture income	**16,925**	18,411
Gain/(loss) on disposals of property, plant and equipment	**8,513**	(660)
Return on equity swap	**8,582**	27,006
Others	**40,729**	6,497
	188,745	51,254

Note:

Available-for-sale financial assets represented the Group's investment in The Rural Credit Cooperatives Union of Shunde ("RCCS") in the PRC which was stated at cost at 31 December 2008. On 15 October 2009, the Group entered into an agreement with Guangdong Elite Architectural Co., Ltd. ("Elite Architectural"), a related party of the Group, to sell its 29,999,000 shares of RCCS at a consideration of RMB1.28 per share to Elite Architectural (the "Share Transfer Agreement") as a result of the restructuring of RCCS to Shunde Commercial Bank ("SCB"). The RMB1.28 per share was determined with reference to the price which RCCS bought back its shares. It was the understanding between the parties at the time of signing of the Share Transfer Agreement that if the restructuring of RCCS was finally approved by China Banking Regulatory Committee ("CBRC") and the promoter shares of SCB were to be issued at the issue price of RMB4.8 per share (the "Issue Price"), Elite Architectural would make up the shortfall amount with reference to the Issue Price. The Restructuring was approved by CBRC in December 2009. On 19 January 2010, the Group entered into an side agreement with Elite Architectural and pursuant to the side agreement, Elite Architectural Co. agreed to make a payment of RMB105,596,480, being the shortfall amount with reference to the Issue Price, to the Group. The total consideration of RMB143,995,200 has been received by the Group as of the date of this report.

10 EXPENSES BY NATURE

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Auditor's remuneration	**6,500**	6,750
Advertising costs	**97,066**	234,862
Amortisation of intangible assets	**3,722**	3,415
Business taxes and other levies	**1,035,904**	1,112,778
Costs of completed properties sold	**9,465,266**	4,942,207
Donations	**74,948**	81,304
Depreciation	**219,103**	167,844
Employee benefit expenses	**2,104,736**	2,623,052
Land use rights amortisation	**186,634**	160,395
Surveillance charges	**12,529**	14,543
Rental expenses	**19,193**	18,562
Land usage taxes	**31,551**	99,901
Others	**858,657**	796,506
Total cost of sales, selling and marketing costs and administrative expenses	**14,115,809**	10,262,119

11 FINANCE COSTS — NET

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Interest expense		
— Bank borrowings	**680,381**	541,252
— Convertible bond *(note 4)*	**367,879**	291,078
— Senior notes *(note 5)*	**76,468**	—
Net foreign exchange loss on financing activities	**1,056**	241,502
Finance costs	**1,125,784**	1,073,832
Less: amounts capitalised on qualifying assets	**(403,359)**	—
	722,425	1,073,832
Finance income		
— Interest income on short-term bank deposits	**(70,505)**	(74,762)
Finance costs — net	**651,920**	999,070

12 INCOME TAX EXPENSES

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Current income tax		
— PRC enterprise income tax *(note (a))*	**684,687**	1,334,277
— Hong Kong profits tax *(note (b))*	**—**	—
— Land appreciation tax *(note (c))*	**275,394**	875,869
Deferred income tax		
— PRC enterprise income tax	**123,430**	(419,149)
— Withholding tax on profit to be distributed in future	**48,887**	55,313
	1,132,398	1,846,310

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group companies as follows:

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Profit before income tax	**3,258,126**	3,261,325
Tax calculated at PRC corporate income tax rate of 25%	**814,532**	815,331
Land appreciation tax deductible for calculation of income tax purpose	**(68,849)**	(218,967)
Effect of different tax rate	**(45)**	(77)
Effect of tax exemption	**(64,040)**	(196,644)
Tax losses not recognised as deferred income tax assets	**15,612**	13,871
Income not subject to tax	**(62,877)**	(4,092)
Expenses not deductible for tax	**173,784**	505,706
Withholding tax on profit to be distributed in future	**48,887**	55,313
	857,004	970,441
Land appreciation tax	**275,394**	875,869
Income tax expenses	**1,132,398**	1,846,310

Notes:

(a) PRC enterprise income tax is provided at the rate of 25% (2008: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

As approved by the local tax authority in August 2006, Giant Leap Construction Co., a subsidiary of the Group, has enjoyed a tax holiday of "two years exemption and followed by three years of a 50% tax reduction" since 2006. The preferential tax rate adopted by Giant Leap Construction Co., will also be gradually transited to the unified tax rate of 25% over a five-year transitional period. In light of the clarification for the transition to the new tax rate issued by the State Administration of Taxation issued on 6 December 2007, the preferential tax rate adopted by Giant Leap Construction Co. will be expired at the shorter of the existing preferential tax period and the five-year transitional period.

Furthermore, in accordance with the PRC Enterprise Income Tax Law and the "Implementation Rules of the People's Republic of China on the Enterprise Income Tax Law" promulgated by the State Council on 6 December 2007 and effective 1 January 2008, an income tax rate of 10% shall be applicable to any dividends payable to non-PRC enterprise investors from foreign invested enterprises.

(b) No Hong Kong profits tax was provided for the year as the Group did not have any assessable profit (2008: nil).

(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.

13 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	Year ended 31 December	
	2009	2008
	(RMB cents per share)	
Profit attributable to equity holders of the Company		
— Basic	**12.73**	8.45
Weighted average number of ordinary shares in issue (thousands)	**16,337,278**	16,314,691

(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. The Company's only dilutive potential ordinary shares is the convertible bond. The convertible bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses. Since the impact of conversion of convertible bond on earnings per share is anti-dilutive for the years ended 31 December 2009 and 2008, diluted earnings per share equaled to basic earnings per share.

14 DIVIDENDS

	Year ended 31 December	
	2009	2008
	RMB'000	*RMB'000*
Proposed final dividend of RMB4.50 cents per share (2008: RMB3.00 cents) (note)	**740,320**	490,800

Note:

The dividends paid in 2009 and 2008 were RMB490,800,000 (RMB3.00 cents per ordinary share) and RMB1,557,472,000 (RMB9.52 cents per ordinary share) respectively. The directors recommend the payment of a 2009 final dividend of RMB4.50 cents per ordinary share, totaling RMB740,320,000. Such dividend is to be approved by the shareholders at the Annual General Meeting on 20 May 2010. These financial statements do not reflect this dividend payable.

15 COMMITMENTS FOR CAPITAL AND PROPERTY DEVELOPMENT EXPENDITURES

	As at 31 December	
	2009	2008
	RMB'000	*RMB'000*
Contracted but not provided for		
Property, plant and equipment	**35,384**	23,625
Property development expenditure (including land premium)	**16,269,548**	6,000,788
	16,304,932	6,024,413

FINANCIAL REVIEW

Revenue

Revenue of the Group was primarily comprised of the proceeds from the sale of properties and provision of services after the elimination of transactions among subsidiaries of the Company. The revenue was primarily generated from its four business segments: property development, construction and decoration, property management and hotel operation. The revenue increased by 11.9% to approximately RMB17,585.7 million in 2009 from approximately RMB15,712.8 million in 2008, primarily attributable to the increase in sales of properties. The revenues generated from property development, construction and decoration, property management and hotel operation are RMB16,544.9 million, RMB377.2 million, RMB349.3 million and RMB314.3 million, respectively.

Property development

Revenue generated from property development increased by 12.3% to approximately RMB16,544.9 million in 2009 from approximately RMB14,736.5 million in 2008; primarily attributable to a 62.5% increase in total gross floor area ("GFA") sold to 3,488,784 sq.m in 2009 from 2,147,592 sq.m in 2008. The recognized average selling price of property decreased to RMB4,742 per sq.m in 2009 from RMB6,861 per sq.m in 2008, which indicated a 30.9% decrease. The recognized average selling price was relatively low in 2009 primarily because (i) most of the property sales revenue recognized in 2009 was attributable to sales contracts entered into in 2008 and the first quarter of 2009, when the PRC property market and accordingly, property prices were adversely affected by the global economic slowdown; while a significant portion of the property sales revenue recognized in 2008 was attributable to sales contracts entered into in 2007 when the PRC property market was in relatively better conditions, (ii) the proportion of recognized GFA in 2009 attributable to apartments, which generally have lower selling prices than standalone properties and townhouses, increased as compared with 2008; whereas a noticeable proportion of recognized GFA in 2009 attributable to standalone properties, which generally have higher prices, decreased as compared with 2008, (iii) the proportion of recognized GFA in 2009 attributable to "bare shell" properties, which generally have lower selling prices than decorated properties, increased as compared with 2008, and (iv) the proportion of recognized GFA in 2009 attributable to our projects outside Guangdong Province, where the property prices are generally lower than in Guangdong Province, increased as compared with 2008.

Construction and decoration

Revenue generated from construction and decoration decreased by 7.7% to approximately RMB377.2 million in 2009 from approximately RMB408.5 million in 2008, primarily attributable to a decrease in the volume of construction and decoration services rendered to Qingyuan Country Garden Property Development Co., Ltd., a related party of the Group.

Property management

Revenue generated from property management increased by 19.1% to approximately RMB349.3 million in 2009 from approximately RMB293.3 million 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, Gaoming Country Garden, Shenyang Country Garden and Heshan Country Garden in 2009.

Hotel operation

Revenue generated from hotel operation increased by 14.5% to approximately RMB314.3 million in 2009 from approximately RMB274.5 million in 2008, primarily attributable to the opening of the five-star rating standard Zhaoqing Country Garden Phoenix Hotel in February 2009, Xinhui Country Garden Phoenix Hotel in March 2009, Gaoming Country Garden Phoenix Hotel and Country Garden Phoenix Hot Spring Hotel in November 2009.

Cost of sales

Cost of sales of the Group represented primarily the costs incurred directly by the property development activities which included construction, decoration and design costs, land use rights cost and business taxes.

Cost of sales increased by 48.9% to approximately RMB12,935.6 million in 2009 from approximately RMB8,687.2 million in 2008. The increase in construction, decoration and design costs was in line with the increase in total GFA sold.

Gross profit

Gross profit (before land appreciation tax provision) of the Group decreased by 33.8% to approximately RMB4,650.1 million in 2009 from approximately RMB7,025.6 million in 2008. The gross margin in 2009 decreased to 26.4% from 44.7% in 2008. The reduction was primarily attributable to the change in product mix on revenue recognized.

Other gains — net

Other gains — net of the Group increased by 267.8% to approximately RMB188.7 million of gain in 2009 from approximately RMB51.3 million of gain in 2008. It was mainly due to the gain of RMB114.0 million from the disposal of the Group's 29,999,000 shares of The Rural Credit Cooperatives Union of Shunde at a consideration of RMB4.8 per share.

Selling and marketing costs

Selling and marketing costs of the Group decreased by 38.6% to approximately RMB324.6 million in 2009 from approximately RMB528.9 million in 2008, which was primarily attributable to a 58.7% decrease in advertisement expense from approximately RMB234.9 million in 2008 to approximately RMB97.1 million in 2009. This is due to the heavy publicity of new property for sale in 2008 which demanded lots of promotion.

Administrative expenses

Administrative expenses of the Group decreased by 18.2% to approximately RMB855.6 million in 2009 from approximately RMB1,046.0 million in 2008, primarily attributable to the measures taken by the Group to effectively contain its administrative expense to cope with the financial crisis. Among all the administration expenses, employee wages decreased by 37.1% from approximately RMB340.2 million in 2008 to approximately RMB213.9 million in 2009.

Finance costs — net

Finance costs — net of the Group decreased by 34.8% to approximately RMB651.9 million in 2009 from approximately RMB999.1 million in 2008. For the year of 2009, the exchange loss of the Group was approximately RMB1.1 million compared with approximately RMB241.5 million for the year of 2008. The cut was due to minor fluctuation of exchange rate across 2009. Besides, there was a capitalized interest cost amounting to approximately RMB403.4 million for the year of 2009 as a result of the adoption of HKAS 23 (revised) 'Borrowing costs' (note 2.1(a)).

Fair value changes on derivative financial instruments

On 15 February 2008, the Company entered into a cash settled equity swap transaction (the "Equity Swap") with Merrill Lynch International for the Company's shares up to a value of US$250 million (equivalent to approximately HK$1,950 million). Under the Equity Swap, the Company receives a payment if the Final Price (as defined in the announcement of the Company dated 17 February 2008 (the "Announcement")) is higher than the Initial Price (as defined in the Announcement) and the Equity Swap Counterparty (as defined in the Announcement) receives a payment if the Final Price is lower than the Initial Price. The Initial Price was determined in accordance with the formula sets out in the Equity Swap and the Final Price will be determined with reference to the arithmetic mean of the relevant prices of the Company's shares on specified averaging dates. Measured by the market price on 31 December 2009, the gain from the fair value change on the Equity Swap was approximately RMB251.4 million.

Profit attributable to the equity owners

Profit attributable to the equity owners (excluding the fair value changes on the Equity Swap) in 2009 of the Group decreased by 30.2% to approximately RMB1,828.4 million from approximately RMB2,619.7 million in 2008, as a result of the cumulative effect of the foregoing factors. The net earning margin fell from 16.7% in 2008 to 10.4% in 2009.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB8,424.0 million as at 31 December 2009 (2008: approximately RMB5,734.6 million). As at 31 December 2009, 72.9% and 27.1% of the Group's cash and bank deposits were denominated in Renminbi, and other currencies (mainly US dollars and HK dollars), respectively.

As at 31 December 2009, the carrying amount of the restricted cash was approximately RMB3,815.3 million (2008: approximately RMB2,728.1 million). Pursuant to relevant regulations, certain of the project companies were required to deposit a portion of proceeds from pre-sales of properties into special 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, equipments, making interim construction payments and paying tax, with the prior approval of the relevant local authorities. Additionally, the Group had approximately US$250.0 million (equivalent to approximately RMB1,707.0 million) deposit as collateral for the Equity Swap with Merrill Lynch International and RMB288.1 million as collateral for bank borrowings which was deposited in specific bank accounts.

Net current assets and current ratio

The Group had net current assets of approximately RMB16,258.7 million as at 31 December 2009 (2008: approximately RMB14,310.5 million). The current ratio being current assets over current liabilities was approximately 1.6 as at 31 December 2009 (2008: approximately 1.7).

Debt and charges on group assets

The Group had an aggregated debt as at 31 December 2009 of approximately RMB17,769.6 million, including borrowings of approximately RMB10,888.7 million, convertible bond of approximately RMB4,278.5 million, and Senior Notes of approximately RMB2,602.4 million.

For borrowings, approximately RMB3,250.7 million will be repayable within 1 year, approximately RMB7,188.0 million will be repayable between 1 and 5 years and the remaining RMB450.0 million to be repayable within the future 5 to 10 years. As at 31 December 2009, the substantial part of the bank borrowings are secured by land use rights and properties of the Group and guaranteed by Group companies.

Gearing ratio

The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalent) over the total capital and reserves attributable to equity owners. As at 31 December 2009, the gearing ratio was 53.3% (2008: 40.9%). Such increase is primarily attributable to the issue of Senior Notes US$375 million in the second half year 2009, as well as more bank borrowings in line with the increase of projects for development.

Interest rate risk

The weighted average interest rate of the Group's borrowing decreased to 6.73% in 2009 from 7.37% in 2008. In addition, the Group issued a convertible bond in the first half of 2008, whose interest rate is calculated using effective rate method. The effective annual interest rate of the liability component is 9.24%. The Group issued Senior Notes in the second half of 2009, whose interest rate is calculated by effective rate method. The effective annual interest rate is 12.11%. 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.

Risk of exchange rate fluctuation

The Group mainly operates in the PRC, so most of its revenue and expenses are measured in Renminbi. In 2009, the exchange rates of Renminbi to Hong Kong dollars and US dollars kept stable. For the year of 2009, there was an exchange loss of approximately RMB1.1 million. Fluctuations in the foreign exchange rate have had and will continue to have an impact on our business, financial condition and results of operations.

Land appreciation tax

According to relevant regulations and laws of the State Administration of Taxation ("SAT"), in the past, the Group has made full provision of land appreciation tax ("LAT") but paid provisional LAT calculated according to certain rates (varying from 0.5% to 3%) over sales amounts assessed by local tax bureau. For the year of 2009, the Group had LAT expenses of approximately RMB275.4 million. As at 31 December 2009, the Group had LAT provision balance of RMB1,327.3 million.

Contingent liability

As at 31 December 2009, the Group had some contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB13,540.3 million (2008: approximately RMB10,450.8 million).

This represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay 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. Of the amounts as at 31 December 2009, approximately RMB256.4 million (2008: approximately RMB392.2 million) was to be discharged two years from the day the mortgaged loans become due; and approximately RMB13,283.9 million (2008: approximately RMB10,058.6 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

The directors consider that in case of default in payments, the net realizable 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.

Capital and property development commitments

As at 31 December 2009, the capital commitments in connection with the property development activities amounted to approximately RMB16,304.9 million (2008: approximately RMB6,024.4 million). This amount is primarily arising from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments primarily from pre-sale proceeds of the properties and partially from bank borrowings.

Employees and remuneration policy

As at 31 December 2009, the Group had approximately 29,514 full-time employees, which had increased by 446 from 29,068 as at 31 December 2008. To adapt to the economy environment since late 2008, the Group has been optimizing and downsizing its positions and reducing the recruitment of low level employees since early 2009. With the property market rapid recovering in the second half of 2009, the Group speeded up its projects arrangement according to the changing environment. The number of projects in operation increased to 65 in 2009 from 54 in 2008. The Group had recruited more employees to meet its business expansion, which resulted in an increase of employees by 446 at the year end of 2009 compared with 2008.

The remuneration package of the employees includes salary, bonus and other cash subsidies. The Company has designed an annual review system to assess the performance of the employees, which forms the basis of the determination on salary increase, bonus and promotion. The Group is subject to social insurance contribution plans organized by the PRC local governments. In accordance with the relevant national and local labor and social welfare laws and regulations, the Group 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. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates. The employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. The Group believes its relationship with the employees is good. As at the date of this report, there were no significant labor disputes which adversely affect or likely to have an adverse effect on the operations of the business occurred.

Subsequent events

Apart from the subsequent event as disclosed in note 9, the Group has the following subsequent events:

On 25 February 2010, the Company announced a solicitation of consents (the "Consent Solicitation") to certain proposed amendments (the "Proposals") to the Indenture, dated as of 10 September 2009 (as supplemented or amended to the date hereof, the "Indenture"), by and between the Company, its Subsidiary Guarantors (as defined therein) and The Bank of New York Mellon, as trustee (the "Trustee"), governing its 11.750% senior notes due 2014 (the "Notes").

On 10 March 2010, the Company has received the requisite number of unrevoked consents from the holders of the Notes necessary for the Proposals. On 12 March 2010, the Company and its Subsidiary Guarantors executed a supplemental Indenture with the Trustee to give effect to the Proposals.

Scope of work of PricewaterhouseCoopers

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2009 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2009. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing 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 and Mr. TONG Wui Tong, Ronald. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The annual results have been reviewed by the Audit Committee of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee consists of five members, of whom two are executive directors being Mr. YEUNG Kwok Keung and Mr. CUI Jianbo, and three are independent non-executive directors being Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald; and is being chaired by Mr. YEUNG Kwok Keung.

The primary responsibility is to review and formulate policies in respect of remuneration structure for all directors and senior management of the Company and make recommendations to the Board for its consideration.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance (the "Code") as set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2009.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules as the code for dealing in securities of the Company by the directors. After specific enquiry, all directors of the Company confirmed that they have complied with the required standard of dealings set out therein throughout the year ended 31 December 2009. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

SHARE OPTION SCHEME

On 20 March 2007, a share option scheme (the "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 Scheme. No share options were granted during the year since adoption.

EMPLOYEE INCENTIVE SCHEME

The Company proposed to set up an employee incentive scheme ("Employee Incentive Scheme") for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company. 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 performance and efficiency. During the year ended 31 December 2009, for the purpose of the Employee Incentive Scheme, the Company had through its subsidiary purchased from the market a total of 24,485,000 shares of the Company. The total amount paid to acquire these shares during the year was about RMB60,674,000. As of 31 December 2009, the cumulative total number of the shares purchased under the Employee Incentive Scheme were 82,092,000 shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities subject to those referred to under the section Employee Incentive Scheme in this announcement.

FINAL DIVIDEND

The Company will review its dividend policy from time to time accordingly to its business development and the global economic situation. The Board recommended a final dividend of RMB4.50 cents per share (2008: RMB3.00 cents) in respect of the year ended 31 December 2009 to the shareholders whose name appear on the register of members of the Company on 20 May 2010, with the shareholders being given an option to elect to receive such proposed final dividend all in new shares or partly in new shares and partly in cash (the "Script Dividend Proposal").

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final 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 Republic of China for the period from 14 May 2010 to 20 May 2010.

The Scrip Dividend Proposal is subject to (1) the approval of the proposal final dividend at the forthcoming annual general meeting; (2) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of and permission to deal in the new shares of the Company to be issued pursuant thereto.

A circular giving full details of the Scrip Dividend Proposal together with the relevant form of election will be sent to the shareholders of the Company on or around 4 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 17 May 2010 to Thursday, 20 May 2010, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend and to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company, 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 14 May 2010.

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

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

By Order of the Board
CUI Jianbo
President and Executive Director

Hong Kong, 30 March 2010

As at the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung, Mr. CUI Jianbo, Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan, Mr. OU Xueming, Mr. YANG Zhicheng and Mr. YANG Yongchao. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald.

http://www.countrygarden.com.cn