

*This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by the Company in the United States.*

**[For immediate release]**



## **Country Garden Announces Annual Results 2010 Both Total Revenue and Profit Attributable to Equity Owners have Achieved Record Highs**

\* \* \*

### **Highlights**

- Total revenue for the year ended 31 December 2010 amounted to approximately RMB25.80 billion, representing an increase of approximately 46.7% compared with the year 2009; recognized GFA reached approximately 4.93 million sq. m., representing an increase of approximately 41.3% compared with the year 2009.
- Profit attributable to equity owners amounted to approximately RMB4.29 billion (including the approximately RMB55 million fair value gain on equity swap and approximately RMB62 million gain on repurchase of Convertible Bonds), representing an increase of approximately 95.9% compared with the year 2009.
- Earnings per share amounted to approximately RMB25.89 cents, increased by approximately 93.1% compared with the year 2009.
- Proposed final dividend per share is RMB9.61 cents, increased by approximately 113.6% compared with the year 2009.

(1 February 2011 – 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, is pleased to announce the annual results for the year ended 31 December 2010.

During the year under review, the Group's total revenue and gross profit reached approximately RMB25,804.1 million and RMB8,351.2 million respectively, representing a year-on-year increase of 46.7% and 80.8% respectively. Profit attributable to equity owners rose to a record high of approximately RMB4,290.6 million (including the approximately RMB55 million fair value gain on equity swap and approximately RMB62 million gain on repurchase of Convertible Bonds). The Board recommends the payment of a final dividend of RMB9.61 cents per share for the year ended 31 December 2010.

The Group's contracted sales in 2010 exceeded its full-year target of RMB30 billion, amounted to approximately RMB32.91 billion and contracted gross floor area ("GFA") totalled approximately 6.00 million sq. m., posting an annual growth of about 41.8% and 26.1% respectively. The Group also exceeded its full-year delivery target of 4.4 million sq. m., with total delivery for 2010 reaching approximately 4.93 million sq. m., an increase of approximately 41.3% compared with 2009.

The Group launched 13 new projects for pre-sales in 2010, among which 10 were in Guangdong. New projects recorded in aggregate contracted sales of approximately RMB6.1 billion. The Group's project development model received extensive recognition from buyers in different regions. For instance, Country Garden — Grand Garden, located in Zengcheng Guangzhou, was launched during the 2010 Lunar New Year. The initial launch of 439 units was sold out in the first two days at a transaction amount of approximately RMB560 million. Cumulative contracted sales amount of this project up to the end of 2010 was about RMB1.6 billion. Tianjin Country Garden was launched for pre-sales in July 2010, and received strong response from local buyers. Cumulative contracted sales amount of this project up to the end of 2010 was close to RMB1.1 billion. Dalang Country Garden, the Group's first project in Dongguan City of Guangdong Province, was launched in November 2010. The initial launch of over 370 units was essentially sold out on the debut day, with transaction amount reaching approximately RMB700 million.

The Group continued to achieve strong results in Guangdong Province, its core market, which accounted for around 68% of the Group's total contracted sales. 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 years, the Directors believe 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 lay a solid foundation for the long term development of the Group.

As at 31 December 2010, the Group has 84 projects under different stages of development, including 51 in Guangdong. Attributable GFA with land use right certificates was approximately 48.30 million sq. m. (approximately 49.6% in Guangdong), among which attributable GFA with construction permits was around 13.71 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 2010 amounted to approximately RMB472.2 million, representing a year-on-year growth of about 50.3%. As at 31 December 2010, the Group operates 4 five-star hotels, 10 five-star standard hotels, as well as 1 four-star hotel, with a total of 4,730 guest rooms. Most of the Group's hotels are located within the Group's property projects. The Directors believe the development of five-star standard hotels within these property projects will assist in sales promotion and enhance the ancillary value of the projects. The Group has signed hotel management contracts or letters of intent with a few high calibre international hotel management firms aiming at further unlocking the long-term value potential of the hotel business segment. Wuhu Country Garden Maritim Hotel, a co-operation venture with German hotel brand Maritim, has commenced full operation during the year.

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. In April 2010, the Group successfully issued senior notes with a 7-year tenor in an aggregate amount of USD550 million to refinance the USD600 million convertible bonds due 2013 ("CB") pursuant to a tender offer and holders' put option. The Group re-entered the international capital market in August 2010 with another new issue of USD400 million 5-year senior notes to refinance the outstanding CB pursuant to holders' put option, and to finance the Group's property developments. By the end of 2010, the Group had repurchased in aggregate about 69.78% of the outstanding principal amount of the CB. The Directors believe that the successful issue of the senior notes, with both senior notes issues well oversubscribed, reflected investors' confidence in the Group's business model and financial strengths. The repurchase of the CB demonstrated the Group's proactive and prudent financial management.

## **Major Business Review**

### Property development

Revenue generated from property development increased by 48.9% to approximately RMB24,637.8 million in 2010 from approximately RMB16,544.9 million in 2009; primarily attributable to a 41.3% increase in total GFA sold to 4,928,607 sq. m. in 2010 from 3,488,784 sq. m. in 2009. The recognized average selling price of property increased to RMB4,999 per sq. m. in 2010 from RMB4,742 per sq. m. in 2009, which indicated a 5.4% increase.

### Property management

Revenue generated from property management increased by 16.1% to approximately RMB405.4 million in 2010 from approximately RMB349.3 million in 2009, 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, Heshan Country Garden, Shaoguan Country Garden in 2009 and 2010.

### Hotel operation

Revenue generated from hotel operation increased by 50.3% to approximately RMB472.2 million in 2010 from approximately RMB314.3 million in 2009, primarily attributable to further maturity of the hotel segment and the opening of Chongqing Country Garden Phoenix Hotel in September 2010, Jingmen Country Garden Phoenix Hotel in October 2010 and Wuhu Country Garden Maritim Hotel in December 2010.

### Cash, debt position and gearing ratio

The Group's cash and bank deposits (including restricted cash) as at 31 December 2010 amounted to approximately RMB9,853.1 million (2009: approximately RMB8,424.0 million). As at 31 December 2010, the Group had an aggregate debt amount of approximately RMB20,118.2]million, which includes borrowings of approximately RMB9,864.9 million, convertible bonds of approximately RMB1,381.0 million, and senior notes of approximately RMB8,872.3 million. 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 2010, the gearing ratio was 48.4% (2009: 52.7% (Restated)).

The Group initiated a series of strategic adjustments and reforms, which was further strengthened in 2010, especially reforms in the areas of evaluating the changing demands of customers, adopting more stringent quality control of its products as well as encouraging product design innovations. The directors (the "Directors") believe these measures resulted in increased demand for the Group's new residential products, which further accelerated the Group's cash inflow. Moreover, the corporate initiatives on project management on the basis of establishing regional project management structure, strengthening execution capabilities and the establishment of an effective incentive mechanism, have also shown positive effects, resulting in further enhancement of development efficiency and product quality for new projects.

With the continuous development of the Chinese economy, the entire management team and all staff members of Country Garden are highly confident about 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 the macro-economic environment, leveraging on the Group's strong project execution capabilities to maintain quick asset turnover. Country Garden is committed to offering value-for-money property products, creating value for the society and generating satisfactory returns for our shareholders.

### **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.

For further information, please contact:

#### **Country Garden Holdings Company Limited**

Felix Wang

Head of Investor Relations

Tel: (86 757) 2360 2216

Fax: (86 757) 2633 6003

Email: wangjun@countrygarden.com.cn

#### **iPR Ogilvy Ltd.**

Callis Lau/ Christina Chung/ Beatrice Wong/ Nelson Lee

Tel: (852) 2136 6952/ 2136 6179/ 2136 6176/ 2136 6956

Fax: (852) 3170 6606

Email: callis.lau@iprogilvy.com/ christina.chung@iprogilvy.com/  
beatrice.wong@iprogilvy.com/ nelson.lee@iprogilvy.com