

[For immediate release]



**Country Garden Announces Interim Results 2011  
Total Revenue and Profit Attributable to Owners of the Company  
Increased by approximately 32.9% and 62.8% respectively**

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**Highlights**

- Total revenue for the six months ended 30 June 2011 amounted to approximately RMB15.6 billion, representing an increase of approximately 32.9% compared with the corresponding period of 2010; recognised GFA reached approximately 2.93 million sq. m., representing an increase of approximately 39.6% compared with the corresponding period of 2010.
- Profit attributable to owners of the Company amounted to approximately RMB2.9 billion (including the approximately RMB125.9 million fair value gain on Equity Swap), representing an increase of approximately 62.8% compared with the first six months of 2010.
- Earnings per share amounted to approximately RMB17.19 cents, increased by approximately 60.4% compared with the first six months of 2010.

(16 August 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 interim results for the six months ended 30 June 2011.

During the period under review, the Group's total revenue and gross profit reached approximately RMB15,641.8 million and RMB5,087.3 million respectively, representing a year-on-year increase of approximately 32.9% and 27.5% respectively. Profit attributable to owners of the Company rose to approximately RMB2,870.6 million (inclusive of the fair value gain on the Equity Swap of approximately RMB125.9 million), posting a year-on-year increase of approximately 62.8%. The Board did not recommend the payment of interim dividend for the six months ended 30 June 2011.

Country Garden, in accordance with national policies, actively responded to the market changes during the period under review and achieved excellent sales performance. The Group's contracted sales in the first half of 2011 amounted to approximately RMB21.5 billion and contracted gross floor area ("GFA") totalled approximately 3.43 million sq. m., posting a year-on-year growth of about 64% and 42%, respectively. Recognized GFA for the period amounted to approximately 2.93 million sq. m., representing an increase of approximately 39.6% compared with the first half of 2010.

The Group launched 4 new projects for pre-sales in the first half of 2011, among which 3 were in Guangdong. New projects recorded in aggregate contracted sales of approximately RMB3.4 billion. The Group's project development model received extensive recognition from buyers in different regions. For instance, the second project of the Group in Jiangsu Province, Country Garden – Phoenix City, was launched for pre-sales in May this year. Of the approximately 2,500 units initially launched, over 70% (i.e. more than 1,800 units) were sold in the first two days of launch, posting a transaction amount of nearly RMB1.2 billion.

The Group continued to achieve strong results in Guangdong Province, its core market, which accounted for around 66% 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 that the recognition of Country Garden's brand name has been further enhanced outside Guangdong. This will not only boost the revenue growth of these new projects, but will also lay a solid foundation for the long term development of the Group.

As at 30 June 2011, the Group has 93 projects under different stages of development, including 55 in Guangdong. Attributable GFA with land use right certificates was approximately 52.02 million sq. m. (approximately 45% in Guangdong), among which attributable GFA with construction permits was around 13.86 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 the first half of 2011 amounted to approximately RMB323.0 million, representing a year-on-year growth of about 58.6%. As at 30 June 2011, the Group operates 5 five-star hotels, 13 five-star standard hotels, as well as 1 four-star hotel, with a total of 5,827 guest rooms. Most of the Group's hotels are located within the Group's property projects. The development of five-star standard hotels within these property projects assists in sales promotion and enhance the ancillary value of the projects. The Group has signed hotel management agreements with a few high calibre international hotel management firms, such as Hilton and Maritim, aiming at further unlocking the long-term value potential of the hotel business segment.

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 February 2011, the Group re-entered the international capital market, and successfully issued senior notes with a 7-year tenor of US\$900 million to consolidate the liquidity position and provide long-term capital for further development. The issuance is the largest single deal among Asian property developers this year, and has received strong demand with significant oversubscription, which reflects investors' confidence in the Group's operation model and financial strength.

## **Major Business Review**

### Property development

Revenue generated from property development increased by about 34.0% to approximately RMB14,979.9 million for the six months ended 30 June 2011 from approximately RMB11,179.1 million for the corresponding period in 2010; primarily attributable to an approximate 39.6% increase in total GFA sold to approximately 2,925,087 sq. m. in the first half of 2011 from approximately 2,095,233 sq. m. for the corresponding period in 2010. The recognized average selling price of property decreased to approximately RMB5,121 per sq. m. in the first half of 2011 from approximately RMB5,336 per sq. m. for the corresponding period in 2010, which indicated an approximate 4.0% decrease.

### Property management

Revenue generated from property management increased by approximately 22.2% to approximately RMB240.5 million for the six months ended 30 June 2011 from approximately RMB196.8 million for the corresponding period in 2010, 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, Heshan Country Garden, Shaoguan Country Garden, Holiday Islands - Qingyuan in the second half year of 2010 and the first half year of 2011.

### Hotel operation

Revenue generated from hotel operation increased by about 58.6% to approximately RMB323.0 million for the six months ended 30 June 2011 from approximately RMB203.7 million for the corresponding period in 2010, primarily attributable to the opening of the five-star rating standard Chongqing Country Garden Phoenix Hotel in September 2010 and Shaoguan Country Garden Phoenix Hotel in January 2011.

### Cash, debt position and gearing ratio

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB12,200.7 million as at 30 June 2011 (31 December 2010: approximately RMB9,853.1 million). The Group had an aggregated debt as at 30 June 2011 of approximately RMB27,472.8 million, including bank borrowings of approximately RMB12,049.7 million, convertible bond of approximately RMB855.5 million, and Senior Notes of approximately RMB14,567.6 million. The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalents) over the total capital and reserves attributable to owners of the Company. As at 30 June 2011, the gearing ratio was approximately 66.5% (31 December 2010: approximately 48.4%).

With the nationwide development of Country Garden's projects, the Group has paid more attention to its brand image of "Country Garden". In the first half of 2011, on top of the guiding motto, "Country Garden – Giving you a five-star home", the Group further launched a theme of "Happy Country Garden", and continues to provide high-quality "happy homes" to our customers through high-value-for-money products, beautiful environment, convenient transportation, comprehensive facilities and attentive services, and to help our home owners, employees, business partners and investors to experience "happy enterprise" through continuously improving internal management and healthily growing performance.

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

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### **About Country Garden**

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

### **Forward-looking Information**

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

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