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**[For immediate release]**



## **Country Garden Announces Annual Results 2011 Both Total Revenue and Profit Attributable to Equity Owners have Achieved Record Highs Again**

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### **Highlights**

- Total revenue for the year ended 31 December 2011 amounted to approximately RMB34.7 billion, representing an increase of approximately 34.7% compared with the year 2010; recognized GFA reached approximately 5.90 million sq. m., representing an increase of approximately 19.6% compared with the year 2010.
- Profit attributable to owners of the Company amounted to approximately RMB5.8 billion, representing an increase of approximately 35.5% compared with the year 2010.
- Earnings per share amounted to approximately RMB35.00 cents, increased by approximately 35.2% compared with the year 2010.
- Proposed final dividend per share is RMB12.96 cents, increased by approximately 34.9% compared with the year 2010.

(28 February 2012 – Hong Kong) Country Garden Holdings Company Limited ("Country Garden" or the "Group" or the "Company", 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 2011.

During the year under review, the Group's total revenue and gross profit reached approximately RMB34,748.3 million and RMB11,995.7 million respectively, representing a year-on-year increase of 34.7% and 43.6% respectively. Profit attributable to owners of the Company rose to another record high of approximately RMB5,813.2 million. The board of directors (the "Board") recommends the payment of a final dividend of RMB12.96 cents per share for the year ended 31 December 2011 by way of scrip shares.

Country Garden, as always, in accordance with national policies, actively responded to the market changes, offered high-value-for-money products and achieved excellent performance. The Group's full year contracted sales of 2011 amounted to approximately RMB43.2 billion and contracted gross floor area ("GFA") totalled approximately 6.87 million sq.m., posting a year-on-year growth of about 31% and 15%, respectively, and exceeding the full year target of RMB43 billion. The Group is among the few property developers in China that achieved their yearly contracted sales target. Recognised GFA for the year amounted to approximately 5.90 million sq.m., representing an increase of approximately 19.6% compared with 2010.

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The Group launched 16 new projects for pre-sales in 2011, among which 10 were in Guangdong Province. New projects were welcomed by home purchasers when they were initially launched and recorded an aggregate contracted sales of approximately RMB12.8 billion. Of which, the Group's second project of in Huizhou City of Guangdong Province, Country Garden – Ten Miles Beach, which was launched in late July 2011, had more than 70% of the 5,080 units of the initial launch being subscribed on the first day with transaction amount of over RMB3 billion; the Group's second project in Jiangsu Province, Country Garden – Phoenix City (Jurong), which was launched for pre-sales in mid May last year, had over 70% of the approximately 2,500 units initially launched being subscribed in the first two days of launch with transaction amount of nearly RMB1.2 billion. These successful new projects have provided sustainable high-quality products to the Group.

In 2011, 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 Province gradually reaching the delivery phases, and the improvement in the surrounding environment and ancillary facilities of these new projects over the past two to three years, the Board believes the recognition of Country Garden's brand name has been further enhanced outside Guangdong Province. This will not only boost the revenue growth of these new projects, but will also set a solid foundation for the long term development of the Group. The ratio of the contracted sales of the projects outside Guangdong Province to that of the Group has increased from approximately 24% in 2008 to approximately 34% in 2011, which verifies that the Group's successful business model in Guangdong Province is replicable in places outside Guangdong Province.

As at 31 December 2011, the Group has 103 projects under different stages of development (including 62 in Guangdong Province). Attributable GFA with land use right certificates was approximately 54.85 million sq.m. (approximately 45.4% in Guangdong Province), among which attributable GFA with construction permits was around 15.31 million sq.m.

With the steady development in China, on 23 December 2011, the Group entered into an agreement with Mayland Group, a well-known property development and investment group in Malaysia, to establish a joint venture company to acquire certain land use rights in Malaysia for developing into residential and ancillary commercial properties.

Alongside the continuing expansion in property development and sales, the Group's hotel business has broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. Hotel revenue in 2011 amounted to approximately RMB801.7 million, representing a year-on-year growth of about 69.8%. As at 31 December 2011, the Group operated 5 five-star hotels, 21 five-star standard hotels, as well as 1 four-star hotel, with a total of 8,352 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 enhances 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 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 issuance among Asian property developers in 2011, and has received strong demand with significant oversubscription, which reflects investors' confidence in Country Garden's operation model and financial strength.

## **Major Business Review**

### Property development

Revenue generated from property development increased by approximately 34.7% to approximately RMB33,194.0 million in 2011 from approximately RMB24,637.8 million in 2010; primarily attributable to an approximate 19.6% increase in total gross floor area (“GFA”) sold to 5,895,762 sq.m. in 2011 from 4,928,607 sq.m. in 2010. The recognized average selling price of property increased to approximately RMB5,630 per sq.m. in 2011 from approximately RMB 4,999 per sq.m. in 2010, which indicated an approximate 12.6% increase.

### Hotel operation

Revenue generated from hotel operation increased by approximately 69.8% to approximately RMB801.7 million in 2011 from approximately RMB472.2 million in 2010, primarily attributable to further maturity of the hotel segment and the opening of the five-star rating standard Shaoguan Country Garden Phoenix Hotel in January 2011, Huangshan Country Garden Phoenix Hotel in March 2011 and Chizhou Country Garden Phoenix Hotel in May 2011.

### Property management

Revenue generated from property management increased by approximately 26.2% to approximately RMB511.7 million in 2011 from approximately RMB405.4 million 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, Shaoguan Country Garden, Holiday Islands-Qingyuan, Country Garden-Galaxy Palace in 2011.

### Cash, debt position and gearing ratio

The Group's cash and bank deposits (including restricted cash) as at 31 December 2011 amounted to approximately RMB12,393.4 million (31 December 2010: approximately RMB9,853.1 million). As at 31 December 2011, the Group had an aggregate debt amount of approximately RMB28,965.9 million, which includes bank borrowings of approximately RMB13,877.3 million, convertible bond of approximately RMB884.1 million, and senior notes of approximately RMB14,204.5 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 31 December 2011, the gearing ratio was approximately 63.3% (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 2011, on top of the guiding motto, “Country Garden — Giving you a five-star home”, the Group has 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 home owners, employees, business partners and investors to experience “happy enterprise” through continuously improving internal management and healthily growing performance.

2012 marks the 20<sup>th</sup> anniversary of Country Garden, as well as the 5<sup>th</sup> anniversary of the Company's listing. 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 higher 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.

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