

[For immediate release]



Country Garden Announces Interim Results 2013
Total Revenue Amounted to RMB26.94 Billion
Profit Attributable to Owners of the Company Reached RMB4.32 Billion

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Highlights

- Total revenue for the six months ended 30 June 2013 amounted to approximately RMB26.94 billion, representing an increase of approximately 60.7% compared with the first six months of 2012; recognized GFA reached approximately 3.86 million sq.m., representing an increase of approximately 60.4% compared with the first six months of 2012.
- Profit attributable to owners of the Company amounted to approximately RMB4.32 billion, representing an increase of approximately 45.0% compared with the first six months of 2012.
- Successfully issued 7.5% 10-year US\$750 million senior notes in January 2013.
- Earnings per share amounted to approximately RMB23.78 cents, increased by approximately 42.9% compared with the first six months of 2012.

(6 August 2013 – 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 interim results for the six months ended 30 June 2013.

The Group's total revenue reached approximately RMB26,944.4 million, representing a year-on-year increase of approximately 60.7%. Profit attributable to owners of the Company rose to approximately RMB4,316.2 million, posting a year-on-year increase of approximately 45.0%. The Board did not recommend the payment of interim dividend for the six months ended 30 June 2013.

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Country Garden, as always, in accordance with national policies, actively responded to the market changes and made timely adjustments to its development and sales plan, offered high value-for-money products to suit the user-oriented demand. Facing the ever-changing market environment, while the Group continued to further enhance the environmental features, ancillary facilities of its projects and its product quality, it also adopted various active and flexible sales strategies and marketing activities which promoted sales and also benefited the Group's long-term sustainable development. The Group achieved contracted sales of approximately RMB33.65 billion, and contracted gross floor area ("GFA") of approximately 5.07 million sq.m. during the first half of 2013, representing year-on-year growth of approximately 94% and 78% respectively. Among which, Country Garden Hill Lake Bay¹ (Guangzhou Nansha) recorded contracted sales of approximately RMB1.71 billion during the period, while Country Garden Grand Garden² (Dongguan Tangxia) and Country Garden — Galaxy Palace (Shenyang) also achieved contracted sales of approximately RMB1.66 billion and RMB1.63 billion respectively. During the first half of 2013, the Company launched a total of 5 new projects, all of them located outside Guangdong Province (two in Jiangsu Province and one each in Zhejiang Province, Hainan Province and Chongqing Municipality). These new projects were well received by the market once being launched, with aggregate transaction amount of approximately RMB3.37 billion recorded during the period.

The Group continued to achieve strong results in Guangdong Province, its core market, which accounted for around 55% of the Group's total contracted sales during the first half of 2013. 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 to three years, 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 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 45% in the first half of 2013, which verifies that the Group's successful business model in Guangdong Province is replicable in places outside Guangdong Province. With the steady development in China, Country Garden has also extended its footprints overseas. Country Garden Danga Bay, located in Johor Bahru of Malaysia but also closely accessible to Singapore, being our firstly launched project overseas, is going to mark an important step forward for Country Garden's development.

As of 30 June 2013, the Group had 134 projects under different stages of development, including 70 in Guangdong. Attributable GFA with land use right certificates, development and operation rights or land title was approximately 62.67 million sq.m. (approximately 42% in Guangdong), among which attributable GFA with construction permits was around 18.24 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. As of 30 June 2013, the Group operated 35 five-star or five-star standard hotels, as well as 2 four-star hotels, with a total of 11,119 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.

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¹ Also named Country Garden – Tianxi Bay

² Also named Guanlan Country Garden

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 January 2013, the Group took advantage of the market opportunity and issued 7.5% 10-year US\$750 million senior notes. Part of the net proceeds from the issue has been used to redeem the Company's convertible bonds which matured in February 2013, with remaining portion to fund existing and new property projects (including construction costs and land premiums) and for general corporate purposes. The issuance has a longer tenor than the Company's previous issuances but at a much lower coupon rate, and received significant oversubscription, which once again, demonstrates investors' confidence in and recognition of the Group's operation model and financial strength.

Major Business Review

Property development

Revenue generated from property development increased by 61.3% to approximately RMB25,738.6 million for the six months ended 30 June 2013 from approximately RMB15,959.5 million for the corresponding period in 2012; primarily attributable to a 60.4% increase in total gross floor area ("GFA") recognized to 3,856,849 sq.m. in the first half of 2013 from 2,404,849 sq.m. for the corresponding period in 2012. Meanwhile, recognized average selling price increased by 0.6% from approximately RMB6,636 per sq.m. for the six months ended 30 June 2012 to approximately RMB6,673 per sq.m. for the corresponding period in 2013.

Hotel operation

Revenue generated from hotel operation decreased by 2.7% to approximately RMB427.6 million for the six months ended 30 June 2013 from approximately RMB439.5 million for the corresponding period in 2012.

Property management

Revenue generated from property management increased by 8.6% to approximately RMB325.2 million for the six months ended 30 June 2013 from approximately RMB299.5 million for the corresponding period in 2012, primarily due to an increase in the cumulative GFA under management resulting from construction completion and delivery of our properties in line with the expansion of our operations.

Cash, debt position and gearing ratio

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB21,512.4 million as at 30 June 2013 (31 December 2012: approximately RMB16,860.0 million). As at 30 June 2013, 92% and 8% of the Group's cash and bank deposits were denominated in Renminbi and other currencies (mainly US dollars and HK dollars), respectively. The Group had an aggregated debt as at 30 June 2013 of approximately RMB45,637.1 million, including bank and other borrowings of approximately RMB26,911.8 million, and senior notes of approximately RMB18,725.3 million. For bank and other borrowings, approximately RMB6,823.4 million will be repayable within 1 year, approximately RMB18,275.1 million will be repayable between 2 and 5 years and the remaining approximately RMB1,813.3 million to be repayable beyond 5 years. The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalents which equals to the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sale properties) over the equity attributable to owners of the Company. As at 30 June 2013, the gearing ratio was 60.1% (31 December 2012: 53.9%).

In the aspect of internal management, the Group further consolidated the achievements from the reforms since 2010. The Group continued to fine-tune its organization structure, management processes and the result-oriented performance appraisal system, meanwhile maintained a close monitoring of the various pre-determined performance indicators imposed on its projects. With a more precise process management, the project execution efficiency and product quality have been greatly enhanced. In addition, the Group has introduced a result-oriented project incentive scheme (including granting cash awards and share options), in order to make it more incentivized and to allow our staff (including executive directors) to better share and enjoy the achievement with the Group together.

The Company has appointed four executive directors on 29 May. Of which, Mr. Zhu Rongbin, the Associate President, had 18 years of experience in property development and related business, and is a national registered supervisor engineer, a national registered cost engineer and a senior engineer. He was director, assistant general manager and general manager (eastern China region) of China Overseas Property Group Company Limited, and vice president and general manager (southern China region) of Guangzhou R&F Properties Co., Ltd. Mr. Zhu is primarily responsible for the management of investment, commercial and product design of the Group. The other three executive directors, Mr. Xie Shutai, Mr. Song Jun, and Mr. Liang Guokun, are long-serving outstanding senior management promoted internally who have made enormous contribution to the Group during their services. The Group has a strong and effective leadership possessing with expertise in various aspects of property development and corporate governance, which is beneficial for its long-term and sustainable development and healthy growth.

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 high 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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For further information, please contact:

iPR Ogilvy Ltd.

Callis Lau/ Karen Tse/ Juliana Li/ Winnie Yiu

Tel: (852) 2136 6952/ 2136 6950/ 2169 0467/ 3920 7645

Fax: (852) 3170 6606

Email: cg@iprogilvy.com