



Fitch Ratings Upgrades Country Garden's Rating Outlook to "Positive"

The Most Frequent Rating Outlook Upgraded by International Rating Agencies in a Year among Major PRC Developers

(23 January 2015 – 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, announces that the Group's outlook was upgraded to "Positive" from "Stable" by Fitch Ratings, a global leader in credit ratings and research, on 23 January. Its long-term issuer rating remained unchanged at "BB+".

Meanwhile, Country Garden is under the observation list of "Investment Grade" (BBB-) by Fitch Ratings, only half step away from "Investment Grade". The outlook rating upgraded reflects Country Garden's leading position in ratings improvement in the industry. The Group has created several records of the industry as the most frequent upgrades on its ratings and outlook by international rating agencies this year among those of the PRC property developers. The Group is also the only major PRC property developer whose rating outlook was upgraded for three times by international rating agencies within six months in 2014. In addition, the Group is the first PRC developer whose rating outlook was upgraded by two international rating agencies in 2015. (*Source: Bloomberg*)

Country Garden places great emphasis on operating cash flow, financing cost and sales channels management in order to meet the requirements for "Investment Grade" credit rating. Fitch upgraded the Country Garden's outlook rating and included Country Garden in the observation list of "Investment Grade" in recognition of Country Garden's tremendous efforts in various aspects, including: 1) the Group's stringent financial control which enabled the Group to further reduce financing cost through optimizing capital structure and expanding financing channels in 2014; 2) the Group's accurate positioning by focusing on the middle class and customers who are seeking to improve living conditions, which has mitigated the impact of the authorities' restrictions on home purchases; 3) the Group has reduced the risk of exposure to a specific market by diversifying its geographical markets; 4) the Group's reasonable and stable debt level. The ratio of contract sales to total debt has risen to 1.9 versus 1.5 in the past, and its leverage ratio is maintained within the range from 31% to 35%; 5) the Group's success in shifting the focus of its core product portfolio to high-rise residential buildings to meet the Chinese government's requirements for effective land use.

Fitch Rating states that it may raise its rating of Country Garden further if the Group's net debt-to-net inventory ratio remains at below 35% consistently, together with contracted sales which are more than two times of its debts. Moreover, the Group is required to continue with its strategy of a property developer with a nationwide presence.

Country Garden strives to enhance its management, with a view to achieving growth amid market volatility while ensuring its prudent and sound financial position and creditworthiness. In 2014, the Group's contract sales hit a historical high of approximately RMB128.8 billion, meeting its annual target. The Group's stable financial position and creditworthiness have been well recognized by a number of international credit ratings agencies. Looking ahead, Country Garden will continue to generate greater value for shareholders by keeping abreast of the capital market's trend.

Country Garden: List of Rating Outlook Upgraded by International Rating Agencies from Year 2014 to now :

5 th April 2014	Fitch Rating rates Country Garden 'BB+'; Outlook Stable
28 th April 2014	Country Garden's rating raised to "BB" at Standard & Poor's.
28 th July 2014	Country Garden and its bonds rating raised to "BB+" at Standard & Poor's.
7 th January 2015	Country Garden raised to "Ba2" (positive) at Moody's.
23 rd January 2015	Country Garden raised to "BB+" (positive) at Fitch Rating.

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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 property development construction, installation, fitting, property management, property investment, 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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