

[For immediate release]



**Country Garden Announces Annual Results for 2014**  
**Total Revenue Amounted to RMB84.55 Billion**  
**Net Profit Increased by 20.1% to RMB10.23 Billion**

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**Highlights**

- Total revenue of the Group rose by approximately 34.8% year on year to RMB84.55 billion for the year ended 31 December 2014. Revenue from property development increased by approximately 36.4% year on year to RMB81.90 billion, and recognized GFA increased by 31.8% year on year to approximately 12.18 million sq.m..
- Profit attributable to owners of the Company grew by 20.1% year on year to RMB10.23 billion. Basic earnings per share were RMB53.45 cents, representing a year-on-year increase of 16.3%.
- As of 31 December 2014, the Group's net gearing ratio (total debt less available cash divided by equity attributable to owners of the Company) decreased by 7.6 percentage points year on year to 59.7%; the Group's weighted average borrowing cost in 2014 decreased by 38 basis points year on year to 8.16%.
- In 2014, the Group's contract sales increased by 21.5% year on year to approximately RMB128.8 billion, with contracted GFA increased by 21.0% year on year to 19.28 million sq.m..
- In 2014, the estimated total GFA of the Group's acquired land parcels was 18.96 million sq.m., and the total cost for the land purchases was approximately RMB16.17 billion.
- In 2014, the Company was rated as "BB+" by Standard & Poor's, "Ba2" by Moody's and "BB+" by Fitch. During the year, the Company successfully issued two senior notes in the sum of US\$800 million, and secured its first overseas club loan of approximately HK\$4.5 billion. It is the largest debut overseas syndicated loan taken out by major Chinese property developers.
- The Board proposed a final cash dividend of RMB14.75 cents per share for the financial year ended 31 December 2014, the total dividend payout accounted for 32.5% of the total core net profit.

(11 March 2015 – Hong Kong) Country Garden Holdings Company Limited ("Company", SEHK stock code: 2007), and its subsidiaries (which are collectively referred to as "Country Garden" or the "Group"), one of the leading integrated property developers in China, is pleased to announce the annual results for the year ended 31 December 2014.

During the year, the property sector underwent some difficult times as a result of the commencement of the adjustments of supply and demand. Nevertheless, these uncertainties neither sway nor affect the Groups' determination and judgements on the market trends. Country Garden continued to focus on facilitating China's urbanization by providing the market with high value-for-money residential properties and services. With perseverance and

innovative spirit, the Group built on its success in 2013 and continued to achieve growth in terms of core performance indicators in 2014.

The Group's total revenue in 2014 reached approximately RMB84.55 billion, representing a year-on-year increase of approximately 34.8% from 2013. Gross profit reached approximately RMB22.06 billion, representing a year-on-year growth of 16.0%. Profit attributable to owners of the Company rose by 20.1% year on year to approximately RMB10.23 billion. The Group's core profit (excluding fair value changes in investment properties, exchange gains / losses, and the gains / losses of early redemption of senior notes) amounted to RMB9.24 billion, representing a year-on-year increase of approximately 15.5%. Basic earnings per share were RMB53.45 cents, representing a year-on-year increase of 16.3%.

The Board proposed a final dividend of RMB14.75 cents per share, the total dividend payout accounted for 32.5% of the total core net profit.

In 2014, the Group's contracted sales increased by 21.5% year on year to approximately RMB128.8 billion, with an approximately 21.0% year-on-year growth in contracted sales of gross floor area ("GFA") to approximately 19.28 million sq.m.. Cash collected from property sales was approximately RMB105.8 billion, marking the first time the Company recorded the figure at over RMB100 billion. In 2014, the Group launched a total of 77 new projects, the majority of which were outside Guangdong Province. Country Garden maintained its leading position as an integrated property developer in China.

The Group recorded satisfying growth in its performance in 2014 on the back of its appropriate strategies and its focus on tapping into the urbanization trend in China. Urbanization is still driving the housing and other related demand, and even the economic slowdown will not reverse the trend of mass migration from rural to urban areas. Capitalizing on urbanization, research and development of marketable high value-for-money products and services and differential advantages were the key contributors to the Company's outstanding financial results.

In terms of target markets, 50% of the Company's sales came from projects targeting the first- and second-tier cities, and the remaining 50% from the third-tier and fourth-tier cities. The Group's enhanced product development, marketing capabilities and increased use of the internet platforms led to an increase in sales, stable average selling price, a steady decrease in housing inventory and an increase in sell-through ratio.

In the aspect of financial management, the Group established strict top-down design and red-line management, which enabled effective financial policies. Through optimized capital structure, assets integration, and expansion of financial channels, the Group's financing cost was reduced, and its stability and growth prospect were strengthened. In 2014, the Group successfully issued two senior notes, including the US\$250 million private placement notes (term: 5 years, 7.5% coupon rate) and the US\$550 million publicly issued notes (term: 5 years, 7.875% coupon rate). In particular, the US\$550 million publicly issued notes were five times oversubscribed. In addition, the Group successfully secured its first overseas club loan of about HK\$4.5 billion, which was also the largest debut overseas syndicated loan ever obtained among major Chinese developers. As of 31 December 2014, the Group's available cash reached RMB27.21 billion, accounting for approximately 10.2% of the total assets; net gearing ratio (total debt less available cash divided by equity attributable to owners of the Company) was 59.7%, down by 7.6 percentage points from 67.3% as of 31 December 2013. The Group's weighted average borrowing cost in 2014 was 8.16%, representing a decrease of 38 basis points compared to 8.54% in 2013. The Group was recognized by the market for its stable financial position, and it received the most frequent upgrades on its credit ratings and outlooks by international rating agencies in 2014 among major Chinese developers.

In addition to the continuing expansion of 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 31 December 2014, the Group operated 40 five-star or five-star standard hotels, as well as 4 four-star or four-star standard hotels, with a total of 12,433 guest rooms. In 2014, revenue from the hotels increased by 13.9% to approximately RMB1.13 billion. Most of the Group's hotels are located within the Group's property projects. The five-star standard hotels enhance the value of these property projects and facilitated their sales.

As one of the key aspects of the Group's vertically integrated value chain, construction and fitting generated revenue of RMB21.45 billion in 2014, of which RMB20.98 billion was derived from sales to other internal business segments of the Group, and RMB0.47 billion was generated from sales to external clients. The efficient coordination and cooperation between the construction and fitting and property development segments strengthened the Group's core competencies in cost control, progress management and resources allocation in its projects.

Properties developed by the Group were managed by the property management company under the Group. As of 31 December 2014, the Group's property management business covered 205 projects, with GFA of approximately 71.49 million sq.m., serving approximately 354,000 households of home owners and residents. Revenue from the property management segment was approximately RMB0.96 billion, representing a year-on-year increase of 24.1%. The property management business diversified the Group's income portfolio and enabled closer relationship between the Group and its customers. Through this business segment, the Group provided customers with high value-for-money products and services, thus facilitating the sustainable development of its businesses.

To fully realize the value of its commercial properties, the Group set up a wholly owned subsidiary Guangzhou Country Garden Commercial Management Company Limited in late 2013 to undertake strategic planning and management of the Group's large-size commercial properties as well as community commercial properties. As of 31 December 2014, the total GFA of the Group's investment properties was approximately 0.898 million sq. m., with a fair value of approximately RMB7.04 billion. In particular, approximately 0.719 million sq. m. of GFA were completed with a fair value of approximately RMB5.95 billion. In 2014, the rental income from the investment properties was approximately RMB86.71 million.

The success of Country Garden Danga Bay, located in Johor, Malaysia, in 2013 has given the Group precious experience and boosted its confidence in its ability to further expand its overseas business. The Group's first project outside Asia, namely Country Garden Ryde Garden in suburb of Sydney, Australia, was launched in June, and achieved excellent sales performance. In 2014, the contracted sales of the projects in Malaysia amounted to approximately RMB2.6 billion, with a contracted GFA of 188,000 sq.m., while the contracted sales of the projects in Australia achieved approximately RMB2.5 billion, with a contracted GFA of 50,000 sq.m.. The Group is confident that its overseas business will be able to generate stable and satisfactory returns, and will expand its overseas business prudently.

Constant explorations of ideas and innovations have contributed to Country Garden's development. The Group has enhanced its operational efficiency by redefining and adjusting the managerial roles and functions of its regional companies. The Group introduced a partnership scheme to unite the core management and shareholders, stepped up investment in talent and training, and brought near 200 well-educated talents from various industries to the Company's training programme. In respect of risk control and compliance, the Group continuously optimize its internal control system, which is further enhanced by a strong legal team of more than 100 professionals.

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Accumulating successful experiences over time, Country Garden has strengthened its strategic management, corporate governance and project management, and continued to effectively enhance the Group's operational efficiency. Moreover, the Group will step up cost-control measures and strive to achieve satisfying results in net operating cash flow. In the future, it will further strengthen and consolidate different business units along the value chain of the property sector, focus on residential communities, and build the business platform which covers all stages of people's life cycles, and further create the commercial value of real estate and related business. The Group will continue to actively capitalize on China's ongoing urbanization to achieve success and maximize returns to the 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 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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