

[For Immediate Release]



## **Country Garden Successfully Prices Second Tranche of RMB3 Billion Worth of Domestic Corporate Bonds**

**Exploring Onshore Capital Market, Broadening Financing Channels and Reducing Financing Costs, Leveraging Success of the First Tranche**

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(12 August 2015 – Hong Kong) Country Garden Holdings Company Limited ("Country Garden", the "Company" or the "Group", SEHK stock code: 2007), the largest urbanization specialist developer in China, announces that its wholly owned subsidiary, Zengcheng Country Garden Property Development Co., Ltd ("Zengcheng Country Garden" or the "Issuer") successfully issued the second tranche of domestic corporate bonds (the "Domestic Bonds"). The second tranche of the Domestic Bonds, amounting to RMB3 billion, was issued over a period of three years and bore a coupon rate of 4.2%.

Zengcheng Country Garden has issued the Domestic Bonds of up to RMB6 billion over a period of three years, with the first tranche amounting to RMB3 billion. Priced on 31 July 2015, the first tranche of the bonds bore a coupon rate of 4.2%. The second tranche of the Domestic Bonds was successfully priced on 11 August 2015 and bore a coupon rate of 4.2%. The Domestic Bonds will be listed on the Shanghai Stock Exchange. The proceeds raised after the expenses and costs of the issue will be used for repaying bank borrowings and for replenishing working capital.

The issue of Domestic Bonds recorded the lowest cost of Country Garden's bonds issues in history and marked the lowest cost among all of its onshore financing activities. It has also become the first corporate bonds issued by a red-chip property developer with the lowest interest rate. After a consolidated evaluation conducted by Dagong Global Credit Rating Co., Ltd., credit rating of AAA was granted to the bonds. The Issuer has also been given a long-term credit rating of AA+ based on its size. Dagong Global previously granted a credit rating of AAA to Country Garden Holdings Company Limited. The lower financing costs and positive credit ratings of Zengcheng Country Garden reflected the capital market's confidence in Country Garden's future development.

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The Group continues to implement financial strategies to optimize its shareholding structure, broaden financing channels and reduce financing costs. On 31 July 2015, the Group has taken out a syndicated loan of an amount equivalent to US\$800 million with annual interest rate of HIBOR / LIBOR +3.1%. It is believed that the Domestic Bonds will be able to further reduce the Group's financing costs. The Company will also further explore onshore capital market in the future.

The Group's prudent financial strategy has been further accredited by international credit rating agencies. Recently, Moody's raised the Company's corporate credit rating from "Ba2" to "Ba1", which is one step closer to investment grade rating. This was a major breakthrough in the Group's aspiration to become a blue chip company following Fitch Rating's move to upgrade the Company's outlook to "BB+" (positive) at the beginning of year. With its credit rating raised by Moody's, Country Garden has become a non-state owned Chinese residential property developer with the highest international credit rating.

Looking ahead to the future, Country Garden will continue to adhere to its prudent approach to financial management, maintain its stable financial position and healthy gearing ratio, arrange reasonable financing, reduce inventory actively and liquidize low turnover assets. The Group will strive for better performance in the capital market, aspiring to become a blue chip company.

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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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