

[For immediate release]

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**Country Garden Issues a US\$500 million Convertible Bonds with
Cash-Settled Share Swap – If the Convertible Bonds are
Converted, the Effective Issue Price Per New Share
is About HK\$14***

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(February 17, 2008 – Hong Kong) Country Garden Holdings Company Limited (“Country Garden” or the “Company”; stock code: 2007), one of the leading integrated property developers in the PRC, announced today that the Company has entered into a Subscription Agreement (the “Agreement”) with Merrill Lynch (Singapore) as the Sole Global Coordinator, Sole Bookrunner for the issuance and subscription of US Dollar Settled, RMB Denominated Convertible Bonds due 2013 with an initial aggregate principal amount of RMB3,595 million (equivalent to approximately HK\$3,899 million).

Concurrently with the execution of the Agreement, the Company entered into a Cash-Settled Share Swap Transaction (the “Equity Swap”) with Merrill Lynch International as the Sole Counterparty for shares of up to a value of US\$250 million (equivalent to approximately HK\$1,950 million). Conditional upon the Company maintaining its minimum free float as required by the Listing Rules and subject to market conditions and compliance with relevant law, the Company intends to repurchase shares in

* Assuming the current share prices remain stable

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the open market in the future. The Equity Swap hedges the Company against changes in its share price from current levels. Taken together and assuming the current share price remains stable, the Equity Swap and the intended future repurchases of shares will reduce the potential dilution upon future conversions of the Bonds by reducing the net issuance proceeds and the net number of shares issueable upon full conversion of the Bonds, thereby increasing the effective issue price per new Share, if the Bonds are converted, to about HK\$14.

The net proceeds from the issue, excluding cash collateral for the Equity Swap and the fees and expenses incurred in relation to the transaction, will be for the repayment of the Company's existing debt obligations, funding property projects and for general corporate purposes.

With this highly successful, innovative strategic financing transaction, the Company has further broadened its global investor base. The transaction enables Country Garden to raise financing at an attractive cost while achieving an effective share issuance price of about HK\$14 per new share when the Bonds convert. The Company's intention to conduct a physical share repurchase in the future also demonstrates its confidence in its prospects.

Ms. Estella Ng, Chief Financial Officer of Country Garden, added: "The transaction enables us to pro-actively manage our capital structure and provides us with financial flexibility for further expansion of our business."

Ms. Ng continued, "Our business continued to perform strongly. The Company's property sales during the 10 days Chinese New Year period was highly satisfactory, with total sales of approximately RMB850 million, of which approximately RMB280 million was accounted for by the Country Garden Phoenix City Project."

Trading of the Company's shares was suspended from February 15, 2008, 2:30 pm, pending on the Company's application to the Stock Exchange of Hong Kong Limited for the resumption of trading on February 18, 2008.

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About Country Garden

Country Garden is one of China's leading integrated property developers. The Group's property development projects are located at the suburban areas of first tier cities as well as the newly urbanized town centers of second and third tier cities. The Company runs a fully integrated business that includes construction, installation, fitting, project management, property management, as well as hotel development and management. In addition, the Company's brand has been named by the PRC State Administration for Industry and Commerce as one of only two national "China's Well-Known Trademarks" in the property sector. The Company 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.

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