

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to you the first annual report of Country Garden upon our listing on the Main Board of the Stock Exchange on 20 April 2007.

The year of 2006 was significant to the Group in terms of growth and corporate development. During the year, the Group devoted to the preparation for the listing and fulfilled the stringent requirements of the international equity market and successfully enhanced its management standard through the listing exercise. With the dedication of all our staff and support from other professionals, the Company achieved great success during the initial public offering of its shares in April 2007. The listing has laid down a new milestone to the Company. Our Company was well received among institutional and public investors. The Hong Kong public offer tranche was oversubscribed by more than 255.7 times, it has frozen over HK\$333.5 billion from public investors, the second-largest amount in the history of the local bourse. Net proceeds raised amounted to approximately HK\$12.5 billion, a token of the confidence of the investors towards the prospects of the PRC property market and the Group. This is an important milestone of the Group's business development and is a recognition to our efforts in bringing to the market the best products ever since our inception.

During the year under review, the Group continued to leverage on its large scale and low-cost land reserve and realized the benefit of economies of scale and proven vertically integrated operation, and delivers a remarkable growth in net profit.

For the year under review, the Group recorded total revenue and gross profit of approximately RMB7,941 million and RMB2,644 million respectively, representing an increase of 53.0% and 53.6%, respectively, over the prior year. Profit for the year increased by 183.7% to RMB1,672.5 million in 2006 from RMB589.5 million in 2005.

In 2006, Country Garden was named as one of the only two national "China's Well-Known Trademarks" in the property sector by the PRC State Administration for Industry and Commerce. This demonstrates our prestigious status among our existing and prospective customers.

Looking forward, we are committed to maximize returns through large-scale developments and rapid asset turnover, while maintaining our existing operational model, replicating this in new high-growth areas and expanding our presence outside Guangdong. With the dedication of our seasoned management team and a dynamic and healthy working force, Country Garden will explore further on our competitive strengths, seeking to become one of the leading large-scale residential property developers with a strong national presence and brand name.

The outstanding results of the Group in the past decade were attributable to the concerted efforts of the management and the staff. I wish to take this opportunity to express my sincere gratitude to the local governments for their continued supports in providing us a favourable operating environment, as well as to the staff of the Group for their dedication, loyalty and contribution during the year. I would also like to thank our customers, business partners, shareholders and associates in the financial sector for their unreserved support in making this year another fruitful one for Country Garden.

Yeung Kwok Keung
Chairman

Hong Kong, the PRC, 20 April 2007