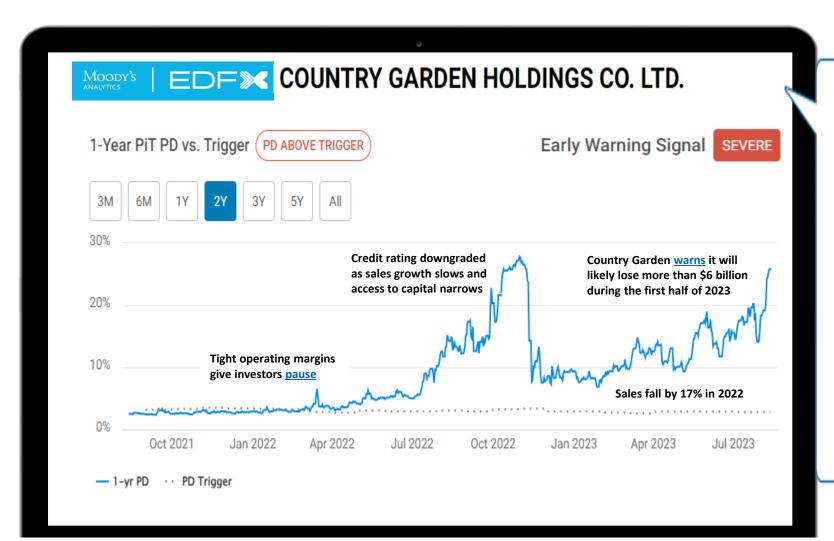
COUNTRY GARDEN HOLDINGS – ONE OF CHINA'S LARGEST PROPERTY DEVELOPERS – HAS BEEN PRESSURED BY A DECELERATING REAL ESTATE MARKET AND NARROWING FUNDING AVENUES



Country Garden Holdings Company LTD's significant debt obligations, when combined with a slowing real estate market, has left the firm in a tenuous position. China's zero COVID-19 policy had a cooling impact on the housing market, but even as restrictions were removed, sales continued to soften on the back of fading demand. The government has enacted policies to spark growth, but demographic headwinds suggest a sustained rebound is unlikely. Country Garden's exposure to lower-tier markets has compounded issues, as prices are trending lower, pressuring the firm's margins. In addition, financing, particularly from offshore lenders, has become increasingly difficult to obtain. Country Garden missed a payment on two dollar-denominated bonds and halted trading of onshore debt earlier this month ahead of expected debt restructuring deal.