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## **COUNTRY GARDEN HOLDINGS COMPANY LIMITED**

**碧桂園控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2007)**

### **ISSUE OF US\$550 MILLION 7.875% SENIOR NOTES DUE 2019**

On 15 May 2014, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers entered into the Purchase Agreement in relation to the issue of US\$550 million 7.875% senior notes due 2019.

The estimated net proceeds of the Notes Issue, after deducting the underwriting discount and other estimated expenses, will amount to approximately US\$536 million. The Company intends to use the net proceeds from the Notes Issue to refinance the 2017 Notes and other existing indebtedness and for general corporate purposes.

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement. The listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the Company's associated companies or the Notes.

The Notes will not be designated for trading in the Financial Industry Regulatory Authority, Inc.'s PORTAL market.

Closing of the Purchase Agreement and the Notes Issue is, subject to fulfilment of certain conditions precedent, expected to take place on or about 27 May 2014.

Reference is made to the announcement of the Company dated 28 April 2014 in relation to the Notes Issue. The Board is pleased to announce that on 15 May 2014, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers entered into the Purchase Agreement in relation to the Notes Issue.

## **THE PURCHASE AGREEMENT**

Date: 15 May 2014

- Parties:
- (a) the Company as the issuer;
  - (b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes;
  - (c) the Subsidiary Guarantor Pledgors that will pledge the capital stock of other Subsidiary Guarantors held by them to secure the obligations under their respective Subsidiary Guarantees; and
  - (d) the Initial Purchasers.

Goldman Sachs and J.P. Morgan are the joint global coordinators, Goldman Sachs, J.P. Morgan, BOC International and HSBC are the joint lead managers and joint bookrunners in connection with the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Goldman Sachs, J.P. Morgan, BOC International and HSBC is an independent third party and not a connected person of the Company and its connected persons.

None of the Notes are being offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

### **Principal terms of the Notes**

Issuer:	the Company
Aggregated principal amount:	US\$550 million
Offering price:	98.989% of the principal amount of the Notes and accrued interest, if any
Settlement date:	27 May 2014
Interest rate:	7.875% per annum, payable semi-annually in arrears in 27 May and 27 November of each year, commencing on 27 November 2014
Maturity:	27 May 2019
Subsidiary Guarantees:	guarantees will be provided by the Subsidiary Guarantors

The Notes are general obligations of the Company and guaranteed by the Subsidiary Guarantors on a senior basis. The Notes are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes and rank at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law). The Notes are also effectively subordinated to all existing and future obligations of the subsidiaries of the Company other than the Subsidiary Guarantors.

## **Covenants**

The Notes, the Indenture and the guarantees to be provided by the Subsidiary Guarantors will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of restricted subsidiaries;
- (e) guarantee indebtedness of restricted subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

## **Events of default**

The events of defaults under the Notes include, among other things:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) defaults in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes;

- (iv) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$20 million or more in the aggregate for all such indebtedness (a) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (v) one or more final judgments or orders for the payment of money are rendered against the Company or any of its restricted subsidiaries and are not paid or discharged;
- (vi) involuntary bankruptcy or insolvency proceedings against the Company or any restricted subsidiary;
- (vii) voluntary bankruptcy or insolvency proceedings commenced by the Company or any restricted subsidiary; and
- (viii) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security provided in relation to the Notes.

**Redemption**

At any time and from time to time on or after 27 May 2017, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed during the twelve month period beginning on 27 May of each of the years indicated below.

<b>Period</b>	<b>Redemption price</b>
2017 .....	103.9375%
2018 .....	101.96875%

At any time prior to 27 May 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 27 May 2017, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 107.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

## **Proposed use of proceeds**

The estimated net proceeds of the Notes Issue, after deducting the underwriting discount and other estimated expenses, will amount to approximately US\$536 million. The Company intends to use the net proceeds from the Notes Issue to refinance the 2017 Notes and other existing indebtedness and for general corporate purposes.

## **Listing**

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement. The listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the Company's associated companies or the Notes.

The Notes will not be designated for trading in the Financial Industry Regulatory Authority, Inc.'s PORTAL market.

## **Ratings**

The Notes have been provisionally rated BB by Standard & Poor's Ratings Services, Ba2 by Moody's Investors Service and BB+ by Fitch Ratings.

## **ABOUT COUNTRY GARDEN**

The Group is one of the leading integrated property developers in the PRC, with substantially all of the Group's assets and operations based in the PRC. The Group's primary business is the development of large-scale residential community projects and the sale of various types of properties, including townhouses, apartment buildings, parking spaces and retail shops. As an integrated property developer, the Group's lines of business also include construction, installation, fitting and decoration as well as property management. Ancillary to the Group's projects, the Group also develops and manages hotels within some of the Group's projects to enhance their potential for value appreciation. The residential projects of the Group are generally located in suburban areas of first-tier cities, and in the newly urbanized town centers of second-tier and third-tier cities. In December 2011, the Group expanded operations into Malaysia. The Group is also planning to launch a new project in Sydney, Australia in the second half of 2014.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2017 Notes”	the USD550 million 11.25% senior notes due 2017 issued by the Company on 22 April 2010
“Board”	the board of Directors
“BOC International”	BOCI Asia Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Company”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Indenture”	the Indenture to govern the Notes
“Initial Purchasers”	Goldman Sachs, J.P. Morgan, BOC International and HSBC
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$550 million 7.875% senior notes due 2019 to be issued by the Company

“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement dated 15 May 2014 entered into between the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers in relation to the Notes Issue
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain subsidiaries of the Company which will guarantee payment of the Notes pursuant to the Indenture
“Subsidiary Guarantor Pledgors”	each a Subsidiary Guarantor that will pledge the capital stock of other Subsidiary Guarantors held by it to secure the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Country Garden Holdings Company Limited**  
**Wu Jianbin**  
*Executive Director*

Foshan, Guangdong Province, PRC  
16 May 2014

*As of the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Vice Chairman), Mr. MO Bin (President), Mr. ZHU Rongbin (Associate President), Ms. YANG Ziyang, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun, Mr. SU Baiyuan and Mr. WU Jianbin. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. LIU Hongyu, Mr. MEI Wenjue and Mr. YEUNG Kwok On.*