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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)

FURTHER ISSUE OF US\$75 MILLION 11.750% SENIOR NOTES DUE 2014

Reference is made to the announcement of the Company dated 2 September 2009 with respect to the Original Notes Issue. The Original Notes Issue has been completed as at the date hereof.

On 16 September 2009, the Company, the Subsidiary Guarantors and J.P. Morgan entered into the Purchase Agreement in relation to a further issue of US\$75 million 11.750% senior notes due 2014 with an offering price of 100.915% of the principal amount of the Additional Notes.

The estimated net proceeds of the Additional Notes Issue will amount to approximately US\$74 million and the Company intends to use the proceeds to finance existing and new property project (including construction costs and land premium) and construction costs and for general corporate purposes.

Approval-in-principal has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

Reference is made to the announcement of the Company dated 2 September 2009 with respect to the Original Notes Issue. The Board is pleased to announce that the Original Notes Issue has been completed as at the date hereof and on 16 September 2009, the Company, the Subsidiary Guarantors and J.P. Morgan entered into the Purchase Agreement in relation to the Additional Notes Issue. The Additional Notes will be fungible with and be consolidated and form a single series with the Original Notes.

THE PURCHASE AGREEMENT

Date: 16 September 2009

Parties: (a) the Company as the issuer;

(b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Additional Notes; and

(c) J.P. Morgan.

J.P. Morgan is the initial purchaser as well as the sole bookrunner and lead manager in respect of the offer and sale of the Additional Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, J.P. Morgan is an independent third party and not a connected person of the Company and its connected persons.

The Additional Notes will be offered by J.P. Morgan (i) in the United States, to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act, and (ii) outside the United States, in compliance with Regulation S under the Securities Act. None of the Additional Notes will be offered to the public in Hong Kong and none of the Additional Notes will be placed to any connected persons of the Company.

Principle terms of the Additional Notes

Issuer: the Company

Aggregated principle amount: US\$75 million

Offering price: 100.915% of the principal amount of the Additional Notes

Trade date: 23 September 2009

Interest rate: 11.750% per annum, payable semi-annually in arrears on 10 March and 10 September of each year, commencing 10 March 2010

Maturity: 10 September 2014

Subsidiary Guarantees: guarantees will be provided by the Subsidiary Guarantors

The Additional Notes are general obligations of the Company and guaranteed by the Subsidiary Guarantors on a senior basis. The Additional Notes are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Additional 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 Additional 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 others :

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) defaults in the performance of or breaches 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\$10 million or more in the aggregate for all such indebtedness;
- (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 in the performance of any of its obligations under the security provided in relation to the Notes.

Redemption

At any time, the Company may at its option redeem the Notes, in whole or 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 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 10 September 2012, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 111.750% of the principal amount of the Notes, 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.

Reason for the Additional Notes Issue

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 home projects of the Group are generally located in suburban areas of first-tier cities, and in the newly urbanized town centers of second- and third-tier cities.

The Additional Notes Issue is being undertaken to supplement the Group's funding of its expansion and growth plan. The Company believes that the Additional Notes Issue will further extend the Company's international profile and improve its ability to access the international debt capital markets to support the growth of the Company.

Proposed use of proceeds

The estimated net proceeds of the Additional Notes Issue will amount to approximately US\$74 million and the Company intends to use the proceeds to finance existing and new property project, (including construction costs and land premium) and for general corporate purposes.

Listing

Approval-in-principal has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

DEFINITIONS

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

“Additional Notes”	US\$75 million 11.750% senior notes due 2014 to be issued by the Company
“Additional Notes Issue”	the issue of the Additional Notes by the Company
“Board”	the board of Directors
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the indenture governing the Notes
“J.P. Morgan”	J.P. Morgan Securities Ltd. as the sole bookrunner and lead manager in respect of the offer and sale of the Additional Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the Original Notes and the Additional Notes forming one single class
“Original Notes”	US\$300 million 11.750% senior notes due 2014 issued by the Company and traded from 10 September 2009
“Original Notes Issue”	the issue of the Original Notes by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement dated 16 September 2009 entered into between the Company, the Subsidiary Guarantors and J.P. Morgan in relation to the Additional Notes Issue

“Securities Act”	the United States Securities Act of 1933, as amended
“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 provide guarantees at the original issue date of the Additional Notes to guarantee the Company’s obligations under the Additional Notes
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Country Garden Holdings Company Limited
CUI Jianbo
President and Executive Director

Foshan, Guangdong Province, the PRC, 16 September 2009

As at the date of this announcement, the Board comprises twelve Directors of which Mr. YEUNG Kwok Keung (Chairman), Mr. CUI Jianbo, Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan, Mr. OU Xueming, Mr. YANG Zhicheng and Mr. YANG Yongchao are executive Directors and Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald are independent non-executive Directors.

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