

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **GENERAL DISCLOSURE ANNOUNCEMENT AMENDMENT AND RESTATEMENT OF EQUITY SWAP**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. Further to the 2008 Announcements, the Board of Directors wishes to inform the shareholders of the Company that on 5 January 2011, the Company entered into the Amendment and Restatement Agreement with the Equity Swap Counterparty pursuant to which the Company and the Equity Swap Counterparty amended and restated the Equity Swap.

The primary purpose of the amendments to the Equity Swap is to remove the Equity Swap Counterparty's right to early terminate the Equity Swap upon the occurrence of certain events relating to the Bonds and to give the Company a right to terminate the Equity Swap early on any scheduled trading day, at its election, prior to the termination of the Equity Swap.

As at the date of this announcement, the Company has not exercised any such optional early termination right.

Save as disclosed above, the Company has no other derivative financial instrument outstanding as at the date of this announcement.

### **AMENDMENT AND RESTATEMENT OF EQUITY SWAP**

Reference is made to the 2008 Announcements, in which the Company announced, among other things, the terms and conditions of the Equity Swap. Unless otherwise indicated, capitalised terms and expressions used herein shall have the meanings ascribed to such terms and expressions in the 2008 Announcements.

# TERMS OF THE AMENDMENT AND RESTATEMENT AGREEMENT

Date: 5 January 2011

Parties: (1) the Company

(2) the Equity Swap Counterparty

The main amendments made to the Equity Swap pursuant to the Amendment and Restatement Agreement are as follows:

## **1. The final Termination Date.**

The final Termination Date of the Equity Swap was originally specified as the third Hong Kong business day following the seventh calendar day immediately preceding the Maturity Date of the Bonds. The final Termination Date has now been amended to be 22 February 2013.

## **2. New optional early termination right exercisable only by the Company in whole or in part.**

As disclosed in announcement of the Company issued on 15 February 2008, both the Company and the Equity Swap Counterparty had the option to terminate the Equity Swap early upon the occurrence of any of the following events: (a) any holder of the Bonds validly exercising all or part of its conversion right; and/or (b) any holder of the Bonds validly redeeming all or some only of such holder's Bonds on the Put Option Date ("Put Event"); and/or (c) any Bonds becoming payable prior to the Maturity Date other than by reason of a Put Event, and the holder of such Bonds not exercising the conversion right attached to such Bonds.

The right of the Equity Swap Counterparty to terminate in these circumstances has now been deleted and the Company now has the right to terminate the Equity Swap at its election and on any scheduled trading day it wishes by giving the Equity Swap Counterparty sufficient notice, provided that, such notice is not valid unless the notional amount to which such early termination specified by the Company in such notice is (i) (except in the case of an early termination of all of the notional amount of the Equity Swap on such day) greater than or equal to a specified minimum notional amount and (ii) less than or equal to the specified maximum notional amount. The Company's option to terminate the Equity Swap early is no longer restricted to the occurrence of any of the optional early termination events specified in (a), (b) or (c) in the preceding paragraph.

This optional early termination right exercisable by the Company in whole or in part will give the Company the ability to terminate the Equity Swap (in whole or in part) when the Company considers it beneficial and in the interests of the shareholders as a whole to do so. Such right will permit the Company to terminate all or such portion of the Equity Swap as it wishes when the share price is beneficial to the Company to do so.

As at the date of this announcement, the Company has not exercised any such optional early termination right.

### **3. The determination of the Final Price.**

Under the original terms of the Equity Swap, the Final Price was to be determined with reference to the arithmetic mean of the relevant prices of the Shares on specified Averaging Dates. Under the amended and restated Equity Swap, unless otherwise agreed by the Equity Swap Counterparty and the Company, the Final Price will be the weighted average of the ‘Relevant Price’ per Share on each Averaging Date. The weighting for each Averaging Date for the purposes of determining the Final Price, unless otherwise agreed by the Company and the Equity Swap Counterparty, is subject to a cap equal to 25 per cent. of the 3 month average daily trading volume of the Shares divided by the number of Shares.

The ‘Relevant Price’ in respect of an Averaging Date is to be determined with reference to the price per Share equal to the volume weighted average price that is realised by Equity Swap Counterparty, in terminating or liquidating its hedge positions on such Averaging Date (subject to any applicable limit price for such Averaging Date communicated by the Company).

The definition of ‘Averaging Dates’ has been amended from 5 scheduled trading days to the number of scheduled trading days (beginning on the initial averaging date) equal to the number of Shares subject to the termination divided by 25 per cent. of the average daily trading volume for the previous 3 month period (rounded up to the nearest whole day).

The Initial Price remains the same as at the inception of the Equity Swap in February 2008.

The Company considers that the changes referred to above will permit the Company to achieve a greater Final Price than was the case prior to the amendment of the Equity Swap.

Save as disclosed above, the Company has no other derivative financial instrument outstanding as at the date of this announcement.

## **DEFINITIONS**

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

“2008 Announcements”	the announcements of the Company issued on 15 February 2008 and 28 October 2008 in respect of the issue of RMB denominated USD settled 2.5% convertible bonds due 2013 and the Equity Swap
“Amendment and Restatement Agreement”	the agreement dated 5 January 2011 entered into by the Company with the Equity Swap Counterparty in relation to the amendment and restatement of the swap confirmation of the Equity Swap, as more particularly described in this announcement
“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

“Directors”	the directors of the Company
“Equity Swap Counterparty”	Merrill Lynch International
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Relevant Individual”	means an affiliate of the Company or any individual who is an officer, director or employee of the Company or any such affiliate who has knowledge of the transactions contemplated by the confirmation to the Equity Swap.
“Shares”	the ordinary shares of HK\$0.1 each in the issued share capital of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Country Garden Holdings Company Limited**  
**Mo Bin**  
*President and Executive Director*

Foshan, Guangdong Province, PRC  
5 January 2011

*As of the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung (Chairman), Mr. MO Bin, 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. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald.*