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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)**

### **PROPOSED ISSUE OF SENIOR NOTES**

The Company proposes to conduct an international offering of senior notes with bullet repayment unless redeemed earlier pursuant to their terms, and will commence a roadshow on 30 October 2007 to international institutional investors in Asia, Europe and the United States. In connection with the offering, the Company will provide certain institutional investors with recent corporate and financial information regarding the Group, including updated risk factors and description of the projects undertaken by the Group, management's discussion and analysis, related party transactions and indebtedness information, which information has not previously been made public. An extract of such recent information can be viewed at the Company's website [http://www.bgy.com.cn/Extract\\_of\\_Company\\_Operation\\_and\\_Financial\\_Information.pdf](http://www.bgy.com.cn/Extract_of_Company_Operation_and_Financial_Information.pdf) at approximately the same time when such information are released to the institutional investors. The pricing of the proposed Notes Issue, including the aggregate principal amount, the Offer Price and interest rate, will be determined through a book building exercise conducted by Morgan Stanley and UBS Investment Bank, as joint global coordinators, and BOC International, Citi, Deutsche Bank, HSBC, JPMorgan, Morgan Stanley and UBS Investment Bank, as joint lead managers and joint bookrunners. Upon finalizing the terms of the Notes, the Joint Bookrunners and the Company will enter into the Purchase Agreement. If the Notes are issued, the Company intends to use the proceeds of the proposed Notes Issue to finance new projects and to repay the outstanding amount under the HK\$1,500,000,000 six-month term loan facility granted by Bank of China (Hong Kong) Limited to the Company.

The Notes will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL market. Approval in-principle has been received from the SGX-ST for the listing 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 or the Notes.

**As no binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement, the proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.**

## THE PROPOSED NOTES ISSUE

### Introduction

The Company proposes to conduct an international offering of senior notes and will commence a roadshow on 30 October 2007 to international institutional investors in Asia, Europe and the United States. In connection with the offering, the Company will provide certain institutional investors with recent corporate and financial information regarding the Group, including updated risk factors and description of the projects undertaken by the Group, management's discussion and analysis, related party transactions and indebtedness information, which information has not previously been made public. An extract of such recent information can be viewed at the Company's website [http://www.bgy.com.cn/Extract\\_of\\_Company\\_Operation\\_and\\_Financial\\_Information.pdf](http://www.bgy.com.cn/Extract_of_Company_Operation_and_Financial_Information.pdf) at approximately the same time when such information are released to the institutional investors. The pricing of the proposed Notes Issue, including the aggregate principal amount, the Offer Price and interest rate, will be determined through a book building exercise conducted by Morgan Stanley and UBS Investment Bank, as joint global coordinators, and BOC International, Citi, Deutsche Bank, HSBC, JPMorgan, Morgan Stanley and UBS Investment Bank, as joint lead managers and joint bookrunners. The Notes, if issued, will have bullet repayment, unless earlier redeemed pursuant to their terms. The amount, terms and conditions of the proposed Notes Issue are still being determined. Upon finalizing the terms of the Notes, the Joint Bookrunners and the Company will enter into the Purchase Agreement. The Company will make a further announcement upon the execution of the Purchase Agreement.

The proposed Notes Issue will only be offered by the Joint Bookrunners (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 proposed Notes Issue will be offered to the public in Hong Kong and none of the proposed Notes Issue will be placed to any connected persons of the Company.

## **Reason for the 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 has been the development of large-scale residential community projects and the sale of various types of products, including villas, 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 large cities, and in the newly urbanized areas of medium-sized cities. While the local residents in Guangzhou Province constitute the Group's core customer base, the Group has also generated demand from residents in Hong Kong, Macau and neighboring provinces.

The proposed Notes Issue is being undertaken to supplement the Group's funding of its expansion and growth plan. The Company believes that the proposed 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 Company intends to apply the net proceeds from the proposed Notes Issue as follows:

- (i) to finance new projects; and
- (ii) to repay the outstanding amount under the HK\$1,500,000,000 six-month term loan facility granted by Bank of China (Hong Kong) Limited to the Company.

The Company may adjust the foregoing acquisition and development plans in response to changing market conditions and circumstances and reallocate the use of the proceeds from the proposed Notes Issue.

## **Listing**

The Notes will be designated for trading in the National Association of Securities Dealers Inc.'s PORTAL market. Approval in-principle has been received from the SGX-ST for the listing 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 or the Notes. No listing of the Notes has been sought in Hong Kong.

## GENERAL

As no binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement, the proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“BOC International”	BOCI Asia Limited
“Citi”	Citigroup Global Markets Limited
“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
“Deutsche Bank”	Deutsche Bank Securities Inc.
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Joint Global Coordinators”	Morgan Stanley and UBS Investment Bank as the joint global coordinators in respect of the offer and sale of the proposed Notes Issue
“Joint Bookrunners and Joint Lead Managers”	BOC International, Citi, Deutsche Bank, HSBC, JPMorgan, Morgan Stanley and UBS Investment Bank as the joint lead managers and joint bookrunners in respect of the offer and sale of the proposed Notes Issue

“JPMorgan”	J.P. Morgan Securities Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	the senior notes to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Offer Price”	the final price at which the Notes will be sold
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement proposed to be entered into between, among others, the Company and the Joint Bookrunners, in relation to the Notes Issue pursuant to which the Joint Bookrunners will act as the initial purchasers of the Notes
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS Investment Bank”	UBS AG acting through its business group
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Country Garden Holdings Company Limited**  
**Yeung Kwok Keung**  
*Chairman*

Foshan, Guangdong Province, the PRC, 29 October 2007

*As at the date of this announcement, the board of directors of the Company comprises twelve directors of which Yeung Kwok Keung (Chairman), Cui Jianbo, Yang Huiyan, Yang Erzhu, Su Rubo, Zhang Yaoyuan, Ou Xueming, Yang Zhicheng and Yang Yongchao are executive Directors and Lai Ming, Joseph, Shek Lai Him, Abraham and Tong Wui Tung, Ronald are independent non-executive Directors.*