

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)

CONNECTED TRANSACTIONS ASSIGNMENTS OF RIGHTS OF ASSETS

On 28 September 2017, each of the Assignor Subsidiaries respectively entered into the Agreements with Elite Architectural Co. to assign to Elite Architectural Co. the rights to all income of the Subject Assets and the right to dispose of and manage the Subject Assets at the consideration totaling of RMB2,647,054,673. The Subject Assets comprise certain shops, composite buildings, parking spaces, commercial premises and/or residential premises held by the Assignor Subsidiaries respectively.

LISTING RULES IMPLICATIONS

Each of the Assignor Subsidiaries is a subsidiary of the Company. Elite Architectural Co. is wholly-owned by a PRC limited liability company, the two shareholders of which are another PRC limited liability company and a PRC limited partnership enterprise each owned as to 70% by Ms. YANG Meirong, a younger sister of Mr. YEUNG Kwok Keung who is the Chairman of the Board and an executive Director. Elite Architectural Co. is therefore a majority-controlled company indirectly held by a family member of Mr. YEUNG Kwok Keung, and is thus a connected person of the Company. The Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As some of the applicable percentage ratios of the Agreements exceed 0.1% but are below 5%, the Agreements are subject to the reporting and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

AGREEMENTS FOR ASSIGNMENT OF RIGHTS OF ASSETS

The Board announces that each of the Assignor Subsidiaries has respectively entered into the Agreements to assign the rights of certain assets of the Group to Elite Architectural Co..

The Agreements

Date

28 September 2017

Parties to each of the Agreements

- Assignor:
- (i) Shenyang Huarui Real Estate Co., Ltd.*(瀋陽華銳置業有限公司);
 - (ii) Shenyang Huanggu Country Garden Property Development Co., Ltd.*(瀋陽皇姑碧桂園房地產開發有限公司);
 - (iii) Wuwei Country Garden Property Development Co., Ltd.*(無為碧桂園房地產開發有限公司);
 - (iv) Tongcheng Country Garden Property Development Co., Ltd.*(桐城碧桂園房地產開發有限公司);
 - (v) Bozhou Runyu Property Development Co., Ltd.*(亳州潤宇房地產開發有限公司);
 - (vi) Shenyang Country Garden Property Development Co., Ltd. (瀋陽市碧桂園房地產開發有限公司);
 - (vii) Haicheng Country Garden Property Development Co., Ltd.*(海城市碧桂園房地產開發有限公司);
 - (viii) Shenyang Hunnan Xincheng Country Garden Property Development Co., Ltd. (瀋陽渾南新城碧桂園房地產開發有限公司);
 - (ix) Weng'an Country Garden Qilong Property Development Co., Ltd.*(甕安碧桂園麒麟龍房地產開發有限公司);
 - (x) Shaoguan Country Garden Property Development Co., Ltd. (韶關市碧桂園房地產開發有限公司);
 - (xi) Guangzhou Country Garden Property Development Co., Ltd. (廣州碧桂園物業發展有限公司); and
 - (xii) Shaoguan Shunhong Property Development Co., Ltd. (韶關市順宏房地產開發有限公司), respectively.

Assignee: Elite Architectural Co.

Under each of the Agreements, the respective Assignor Subsidiary agrees to assign the following rights to Elite Architectural Co. with effect from the Assignment Date:

- the rights to all income of the Subject Assets, including (but not limited to) (1) all actual and contingent income of the Subject Assets; (2) all income generated from the leasing and operation of the Subject Assets; (3) the consideration for or proceeds from the disposal of the Subject Assets; and (4) all amounts receivable in respect of the Subject Assets arising from procedures such as petition, claim, arbitration and enforcement; and
- the right to dispose of and manage the Subject Assets, including (but not limited to) the right to determine the leasing, disposal, pledge and/or other ways of dealing with the Subject Assets.

Elite Architectural Co. shall engage the relevant Assignor Subsidiary to manage the relevant Subject Assets.

The Subject Assets

The Subject Assets are located in four different areas in the PRC which comprise:

Location	Description of assets
Liaoning Area* (遼寧區域)	The Subject Assets located in certain development projects of the Group in Liaoning Area have an aggregate gross floor area of 159,578.51 sq. m. which consist of shops, composite buildings and parking spaces. The shops have a gross floor area of 41,787.03 sq. m.; the composite buildings have a gross floor area of 48,649.81 sq. m.; and the parking spaces have a gross floor area of 69,141.67 sq. m.
Guangqing Area* (廣清區域)	The Subject Assets located in certain development projects of the Group in Guangqing Area have an aggregate gross floor area of 80,295.23 sq. m. which consist of commercial premises, composite buildings and residential premises. The commercial premises have a gross floor area of 38,574.46 sq. m.; the composite buildings have a gross floor area of 31,497.07 sq. m.; and the residential premises have a gross floor area of 10,223.70 sq. m.
Guizhou Area* (貴州區域)	The Subject Assets located in certain development projects of the Group in Guizhou Area have an aggregate gross floor area of 12,148.42 sq. m. which comprise of shops.
Anhui Area* (安徽區域)	The Subject Assets located in certain development projects of the Group in Anhui Area have an aggregate gross floor area of 15,693.98 sq. m. which consist of shops and composite buildings. The shops have a gross floor area of 13,555.96 sq. m.; and the composite buildings have a gross floor area of 2,138.02 sq. m.

The book value of the Subject Assets as at 30 June 2017 was approximately RMB1,723,328,000 in aggregate.

The Subject Assets have not been leased out or sold, therefore there are no net profit/loss (before and after taxation) attributable to the Subject Assets for each of the two years ended 31 December 2015 and 31 December 2016.

The Consideration

The consideration for the assignment of the rights of the Subject Assets under each of the Agreements is approximately equal to the assessed market value of the respective Subject Assets. The assessed market value of the Subject Assets as at 30 June 2017 was approximately RMB2,647,055,000, which was assessed by an independent professional valuer, Foshan Tianhua Property and Real Estate Valuation Co., Ltd.* (佛山市天華房地產與地產估價有限公司) using the comparison method. The aggregate amount of the considerations under the Agreements is RMB2,647,054,673.

The corresponding amount of cash consideration under each of the Agreements is payable by Elite Architectural Co. by payment to a designated bank account of the relevant Assignor Subsidiary within one working day after fulfillment (or waiver at the discretion of Elite Architectural Co.) of the following conditions precedent:

- the execution and taking effect of the corresponding Agreement;
- the relevant Assignor Subsidiary having delivered to Elite Architectural Co. the title documents of the relevant Subject Assets; and
- the relevant Assignor Subsidiary having delivered to Elite Architectural Co. certified copies of (1) the business licence of the Assignor Subsidiary; (2) (if the Assignor Subsidiary is a foreign investment enterprise) the latest approval certificate of the Assignor Subsidiary; (3) documents of approval and authorization of the Assignor Subsidiary for execution of the Agreement and carrying out the transactions under the Agreement in accordance with its articles of association and internal regulations; (4) all executed documents which are the basis of income of the relevant Subject Assets as of the date of the corresponding Agreement; and (5) such other documents as may be reasonably required by Elite Architectural Co. in relation to the relevant Subject Assets, the ability of the respective Assignor Subsidiary to perform and the transactions pursuant to the corresponding Agreement.

Obligations of each of the Assignor Subsidiaries in relation to the Subject Assets

Under each of the Agreements, the obligations of the Assignor Subsidiary in relation to the relevant Subject Assets after the Assignment Date include:

- not to lease, dispose, pledge or in any manner dealing with all or part of those Subject Assets without the prior written consent of authorisation of Elite Architectural Co.;
- entering to agreements with third parties designated by Elite Architectural Co. to lease or dispose of all or any part of those Subject Assets;
- for those Subject Assets in respect of which the title certificates may be issued, to transfer the title to Elite Architectural Co. or its designated third party;

- manage and maintain those Subject Assets and exercise the rights and duties under the documents being the basis of income of those Subject Assets;
- as may be requested by Elite Architectural Co., assign to Elite Architectural Co. the rights of the documents being the basis of income of those Subject Assets or authorise Elite Architectural Co. to exercise such rights on its behalf;
- on each of the Reporting Date, report to Elite Architectural Co. the status of the leasing, operation and disposal of those Subject Assets and the amount of income, and provide an inventory of documents being the basis of income of those Subject Assets and certified copies of such documents;
- on each of the Reporting Date, pay the income (or cash equivalent) of those Subject Assets a bank account designated by Elite Architectural Co. for such purpose; and
- provide to Elite Architectural Co. information on any transaction for disposal of those Subject Assets on the date of completion of such transaction.

FINANCIAL EFFECTS OF THE AGREEMENTS

Upon completion of the Assignments and subject to final audit, it is expected that the Group will record a gain of approximately RMB924 million from the Assignments, being the difference between the consideration for the Assignments and the unaudited carrying value of the Subject Assets of approximately RMB1,723 million as at 30 June 2017.

The Company intends to use the proceeds of the Assignments as general working capital for the Group.

REASONS FOR AND BENEFITS OF THE AGREEMENTS

The Directors consider that the Assignments will enable the Group to revitalize idle assets and increase efficiency in the use of capital. The Subject Assets comprise certain shops, composite buildings, parking spaces, commercial premises and/or residential premises held by the Assignor Subsidiaries respectively, which are unsold and idle for one year or longer. Such assets are either privately owned, designated as civil air defence or public auxiliary facilities required by the governmental authorities, or pending ownership registration. As Elite Architectural Co. desires to acquire the rights to the Subject Assets for operation and/or other financing purpose, the Assignments will bring revenue to the Group from such otherwise idle assets.

The Directors (including the independent non-executive Directors) are of the view that the Agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Each of the Assignor Subsidiaries is a subsidiary of the Company. Elite Architectural Co. is wholly-owned by a PRC limited liability company, the two shareholders of which are another PRC limited liability company and a PRC limited partnership enterprise each owned as to 70% by Ms. YANG Meirong, a younger sister of Mr. YEUNG Kwok Keung who is the Chairman of the Board and an executive Director. Elite Architectural Co. is therefore a majority-controlled company indirectly held by a family member of Mr. YEUNG Kwok Keung, and is thus a connected person of the Company. The Agreements thus constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As some of the applicable percentage ratios of the Agreements exceed 0.1% but are below 5%, the Agreements are subject to the reporting and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since Elite Architectural Co. is an associate of Mr. YEUNG Kwok Keung and is controlled by a relative of Ms. YANG Huiyan, Ms. YANG Ziyang, Mr. YANG Zhicheng and Mr. CHEN Chong, to avoid any conflict of interests in relation to the Agreements, the aforesaid Directors have abstained from voting on the resolutions at the Board meeting to approve the Agreements.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in property development in the PRC, including property development, construction, fitting and decoration, property investment, property management and hotel operation.

Elite Architectural Co. is a company which provides survey work, property design and interior design services to property development projects.

DEFINITIONS

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

“Agreements”	the twelve agreements dated 28 September 2017 between each of the Assignor Subsidiaries respectively and Elite Architectural Co. for the assignment of the rights to the Subject Assets by the respective Assignor Subsidiary to Elite Architectural Co., and “Agreement” means any one of them
“Assignments”	the assignment of the rights to the Subjects Assets by each of the Assignor Subsidiaries respectively to Elite Architectural Co. pursuant to the terms and conditions of the respective Agreement
“Assignment Date”	28 September 2017

“Assignor Subsidiaries”	the subsidiaries of the Company entering into the Agreements, particulars of which are set out in the section headed “Agreements for Assignment of Rights of Assets” in this announcement, and “Assignor Subsidiary” means any one of them
“associate”	has the meaning ascribed to it under the Listing Rules
“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 (Stock Code: 2007)
“connected person”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“Elite Architectural Co.”	Guangdong Elite Architectural Co., Ltd. ((廣東博意建築設計院有限公司) (formerly known as Foshan Shunde Elite Architectural Co., Ltd.) (佛山市順德區博意建築設計院有限公司)) which was established in the PRC on 12 June 1997 as a limited liability company
“family member”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Reporting Date”	20 March, 20 June, 20 September and 20 December of each year
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders”	holders of the Shares
“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
“sq. m.”	square metre
“Subject Assets”	those assets of the Group the rights of which are to be assigned by each of the Assignor Subsidiaries respectively to Elite Architectural Co. pursuant to the Agreements, particulars of which are set out in the section headed “the Subject Assets” in this announcement
“%”	per cent

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

Foshan, Guangdong Province, the PRC, 28 September 2017

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), Ms. YANG Ziyang, Mr. YANG Zhicheng, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The non-executive director of the Company is Mr. CHEN Chong. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan, Mr. MEI Wenjue and Mr. YEUNG Kwok On.

* *for identification purpose only*