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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)

CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that the Group has entered into (1) the Design Services Supplemental Agreement and (2) the Framework Agreement both on 31 October 2012.

Design Services Supplemental Agreement

Reference is made to the announcements of the Company dated 20 June 2008 and 17 December 2010 in relation to the continuing connected transactions for the provision of property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement.

On 31 October 2012, Shunde Country Garden Co., a wholly-owned subsidiary of the Company, entered into the Design Services Supplemental Agreement with Elite Architectural Co. pursuant to which both parties agreed to broaden the scope of services provided by Elite Architectural Co. to the Group under the Existing Design Services Agreement.

The applicable percentage ratios of the annual cap of RMB650 million for the Design Services Supplemental Agreement exceed 0.1% but are below 5%. Therefore, the transactions contemplated under the Design Services Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Elite Architectural Co. is owned by certain Directors, namely, Ms. YANG Huiyan (as to 52%), Mr. YANG Erzhu (as to 12%), Mr. SU Rubo (as to 12%), Mr. ZHANG Yaoyuan (as to 12%) and Mr. OU Xueming (as to 12%). Ms. YANG Huiyan is also the ultimate controlling shareholder of the Company. Elite Architectural Co. is an associate of Ms. YANG Huiyan and is therefore a connected person of the Company.

Lighting Supply Agreement

On 31 October 2012, Shunde Country Garden Co., a wholly-owned subsidiary of the Company, entered into a framework agreement with Guangdong Shenghui pursuant to which the parties agreed that Guangdong Shenghui will supply lighting equipments, distribution board/control cabinet and provide relevant lighting design and installation work to Shunde Country Garden Co. and other subsidiaries of the Group for a term between 31 October 2012 to 31 December 2014 and subject to the terms and conditions set out in the Lighting Supply Agreement.

The applicable percentage ratios of the annual cap of RMB180 million for the Lighting Supply Agreement exceed 0.1% but are below 5%. Therefore, the transactions contemplated under the Lighting Supply Agreement are only subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Guangdong Shenghui is a wholly owned subsidiary of Chuangyuan Investment Co.. The shareholding of Chuangyuan Investment is 90% owned by Ms. YANG Zhiying, a Director of the Company and 10% owned by Mr. Chen Chong (the husband of Ms. YANG Huiyan, the vice chairman of the Company). Guangdong Chuangyuan is an associate of Ms. YANG Ziyang and is therefore a connected person of the Company.

THE DESIGN SERVICES SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 20 June 2008 and 17 December 2010 in relation to the continuing connected transactions for the provision of property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement.

On 31 October 2012, Shunde Country Garden Co., a wholly owned subsidiary of the Company entered into the Design Services Supplemental Agreement with Elite Architectural Co.. Under the Design Services Supplemental Agreement, both parties agreed to broaden the scope of services provided by Elite Architectural Co. to the Group under the Existing Design Services Agreement. In addition to the provision of property design and interior design services under the Existing Design Services Agreement, Elite Architectural Co. agreed to provide survey work to the Group. Save for the amendment of the scope of services stated above, all the other provisions of the Existing Design Services Agreement remain unchanged.

The Annual Cap

The Board does not consider an amendment of the annual cap for the Design Services Supplemental Agreement for each of the financial years ending 31 December 2012 and 31 December 2013 necessary.

Principal Activities and Reasons for and Benefit of Entering into the Design Services Supplemental Agreement

The Company is an investment holding company and its subsidiaries, including Shunde Country Garden Co., are principally engaged in property development in the PRC including property development, construction, fitting and decoration, 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 and has been providing property design and interior design services to the Group for a long time. The Board believes that given the long term stable, smooth and efficient working relationship between Elite Architectural Co. and the Group, engaging Elite Architectural Co. to provide a one-stop service and be involved from an early stage of the property development projects will be more efficient and expedite the development process and will be beneficial to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Design Services Supplemental Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implication

Elite Architectural Co. is owned by certain Directors, namely, Ms. YANG Huiyan (as to 52%), Mr. YANG Erzhu (as to 12%), Mr. SU Rubo (as to 12%), Mr. ZHANG Yaoyuan (as to 12%) and Mr. OU Xueming (as to 12%). Ms. YANG Huiyan is also the ultimate controlling shareholder of the Company. Elite Architectural Co. is an associate of Ms. YANG Huiyan and is therefore a connected person of the Company.

In respect of the Design Services Supplemental Agreement, as one or more of the applicable percentage ratios in respect of the transactions contemplated therein are more than 0.1% but less than 5%, the transactions contemplated under the Design Services Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that (i) Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan and Mr. OU Xueming (all being the substantial shareholders of Elite Architectural Co.) and (ii) Mr. YEUNG Kwok Keung, Ms. YANG Ziyang, Mr. YANG Zhicheng and Mr. YANG Yongchao (all being the associates of Ms. YANG Huiyan) are the executive Directors and have a material interest in the Design Services Supplemental Agreement, they have abstained from voting on the resolutions at the Board meeting to approve the transactions contemplated under the Design Services Supplemental Agreement.

THE LIGHTING SUPPLY AGREEMENT

On 31 October 2012, Shunde Country Garden Co., a wholly-owned subsidiary of the Company, entered into a framework agreement with Guangdong Shenghui pursuant to which the parties agreed that Guangdong Shenghui will supply lighting equipments, distribution board/control cabinet and provide relevant lighting design and installation work to Shunde Country Garden Co. and other subsidiaries of the Group for a term commencing from 31 October 2012 to 31 December 2014 and subject to the terms and conditions set out in the Lighting Supply Agreement.

Principal Terms

- Date : 31 October 2012
- Parties : (1) Shunde Country Garden Co., a wholly-owned subsidiary of the Company; and
(2) Guangdong Shenghui
- Term : From 31 October 2012 to 31 December 2014
- Subject : the supply of lighting equipments, distribution board/control cabinet and provide relevant design and installation work to members of the Group
- Price : the purchase price for each transaction under the Lighting Supply Agreement will be determined on a fair trade and normal commercial terms basis and payable on a case by case basis with reference to the market price and shall be no less favourable than that available to any independent third parties and the price of which shall be settled within 10 working days after the parties thereto have confirmed the amount of products and services fees for each project/transaction

The Annual Cap and Basis of Determination

It is expected that the prices payable by the Group to Guangdong Shenghui under the Lighting Supply Agreement for the remainder of the financial year ending 31 December 2012 and each of the financial years ending 31 December 2013 and 31 December 2014 will not exceed RMB100,000,000, RMB150,000,000 and RMB180,000,000 respectively.

The annual caps have been determined with reference to (i) the prices of the lighting equipments, distribution board/control cabinet and provision of relevant lighting design and installation work; and (ii) the anticipated future demand.

Principal Activities and Reasons for and Benefit of Entering into the Lighting Supply Agreement

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

Guangdong Shenghui is a company which produces, sells, designs and installs lighting equipments and accessories. The Board believes that the design and quality standard of products of Guangdong Shenghui meet the high quality requirements of the Group and Guangsheng Shenghui will also be able, on a timely basis, to provide special product design to meet the specific requirements of the Group and to provide maintenance and other post-sales services. Thus, engaging Guangdong Shenghui to supply lighting products and relevant services eg installation to members of the Group (without affecting or prejudicing the ability of the Group to source similar products from other reputable third parties eg through tenders) will be beneficial to the Group.

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

Listing Rules Implication

Guangdong Shenghui is a wholly subsidiary of Chuangyuan Investment. The shareholding of Chuangyuan Investment is 90% owned by Ms. YANG Ziying, a Director of the Company; and 10% owned by Mr. Chen Chong (the husband of Ms. YANG Huiyan, the vice chairman of the Company). Guangdong Shenghui is an associate of Ms. YANG Ziying and is therefore a connected person of the Company.

The applicable percentage ratios of the annual cap of for the Lighting Supply Agreement exceed 0.1% but are below 5%. Therefore, the transactions contemplated under the Lighting Supply Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that (i) Ms. YANG Ziying is the substantial ultimate shareholder of Guangdong Shenghui; and (ii) Mr. YEUNG Kwok Keung, Ms. YANG Huiyan, Mr. YANG Zhicheng and Mr. YANG Yongchao (all being the associates of Ms. YANG Ziying) are the executive Directors and have a material interest in the Lighting Supply Agreement, they have abstained from voting on the resolutions at the Board meeting to approve the transactions contemplated under the Lighting Supply Agreement.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chuangyuan Investment”	Foshan Shunde Chuangyuan Investment Limited (佛山市順德區創源投資有限公司) which was incorporated in the PRC on 4 January 2007 as a limited liability company and is the holding company of Guangdong Shenghui
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Design Services Supplemental Agreement”	the supplemental agreement dated 31 October 2012 entered into between Shunde Country Garden Co. and Elite Architectural Co. pursuant to which Elite Architectural Co. agreed to amend the Existing Design Services Agreement
“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 named 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 incorporated in the PRC on 12 June 1997 as a limited liability company and an associate of Ms. YANG Huiyan
“Existing Design Services Agreement”	the agreement dated 27 March 2007 (as amended by the agreements dated 20 June 2008 and 17 December 2010) entered into between Shunde Country Garden Co. and Elite Architectural Co. in respect of the provision of property design and interior design services by Elite Architectural Co. to the Group until 31 December 2013
“Group”	the Company and its subsidiaries

“Guangdong Shenghui”	Guangdong Shenghui Electronics Holdings Limited (廣東昇輝電子控股有限公司) which was incorporated in the PRC on 7 September 2010 as a limited liability company and an associate of Ms. YANG Ziyang
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Lighting Supply Agreement”	the agreement dated 31 October 2012 entered into between a wholly-owned subsidiary of the Company and Guangdong Shenghui in respect of the supply of lighting equipments, distribution board/control cabinet and provision of relevant design and installation work to members of the Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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)
“RMB”	Renminbi, the lawful currency of PRC
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.1 each in the issued share capital of the Company
“Shunde Country Garden Co.”	Foshan Shunde Country Garden Property Development Co., Ltd. (佛山市順德區碧桂園物業發展有限公司), a wholly owned subsidiary of the Company which was incorporated in the PRC on 2 April 1997 as a limited liability company and was converted into a wholly foreign owned enterprise on 21 June 2006

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

The English names of the PRC entities are translations of their Chinese names and are included for identification purpose only.

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

Hong Kong, 31 October 2012

As at 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, Ms. YANG Ziyang, 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.