
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Country Garden Holdings Company Limited** (the “**Company**”), you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2011 FINAL DIVIDEND**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

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|---------------------------|--|
| “2011 Final Dividend” | the final dividend of RMB12.96 cents per Share for the year ended 31 December 2011 payable to the Shareholders whose names were recorded on the register of members of the Company on the Record Date |
| “Board” | the board of Directors from time to time |
| “Company” | Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Excluded Shareholders” | Overseas Shareholders who are excluded from the Scrip Dividend Scheme and more particularly defined in the section headed “Overseas Shareholders” in this circular |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Latest Practicable Date” | 14 May 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Overseas Shareholders” | Shareholders whose addresses as shown on the register of members of the Company at the close of business on the Record Date are outside Hong Kong |
| “PRC” | the People’s Republic of China |
| “Record Date” | Friday, 4 May 2012 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Scrip Dividend Scheme” | the scheme that the 2011 Final Dividend be satisfied wholly in the form of an allotment of Shares credited as fully paid up without offering any right to the Shareholders to elect to receive such dividend in cash in lieu of such allotment |

DEFINITIONS

| | |
|------------------|---|
| “Scrip Shares” | new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme |
| “SGX-ST” | Singapore Exchange Securities Trading Limited |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the issued share capital of the Company |
| “Shareholder(s)” | registered holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan (*Vice Chairman*)
Mr. MO Bin (*President*)
Ms. YANG Ziyang
Mr. YANG Erzhu
Mr. SU Rubo
Mr. ZHANG Yaoyuan
Mr. OU Xueming
Mr. YANG Zhicheng
Mr. YANG Yongchao

Independent Non-Executive Directors:

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung, Ronald

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in the PRC:

Country Garden
Beijiao Town
Shunde District
Foshan
Guangdong 528312
PRC

Place of business in Hong Kong:

Rooms 901–904, 9/F,
Manulife Provident Funds Place
345 Nathan Road
Kowloon
Hong Kong

18 May 2012

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2011 FINAL DIVIDEND**

INTRODUCTION

On 28 February 2012, the Board announced the audited consolidated results of the Group for the year ended 31 December 2011 and recommended the payment of the 2011 Final Dividend which is payable by way of Scrip Shares without offering any right to Shareholders to elect to receive such dividend in cash in

LETTER FROM THE BOARD

lieu of such allotment. At the annual general meeting of the Company held on 26 April 2012, the 2011 Final Dividend and the Scrip Dividend Scheme were approved by the Shareholders.

The purpose of this circular is to provide information relating to the Scrip Dividend Scheme and the action to be taken by the Shareholders in relation thereto.

THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the 2011 Final Dividend will be made payable to the Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date without offering any right to elect to receive such dividend in cash in lieu of such allotment. To rank for the 2011 Final Dividend, the latest time for submission of all completed transfer forms accompanied by the relevant share certificates was 4:30 p.m. on Thursday, 3 May 2012.

The value of the Scrip Shares shall be fixed by the Board at its discretion with reference to the average of the closing process of the Shares on the Stock Exchange for the five consecutive trading days ended on (and including) the Record Date or the par value of the Shares, whichever is higher.

The number of Scrip Shares to be allotted and issued to the Shareholders shall be calculated with reference to the amount arrived at by dividing the total amount of the 2011 Final Dividend payable to the Shareholders by the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended on (and including) the Record Date or the par value of the Shares, whichever is higher.

The Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the 2011 Final Dividend. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of allotment of the Scrip Shares.

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Board at HK\$3.254 per Share, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ended on (and including) the Record Date. Accordingly, the number of Scrip Shares which the Shareholders are entitled to receive in respect of the Shares registered in their names on the Record Date will be calculated as below:

$$\begin{array}{rcccl} \text{Number of} & & & & \text{2011 Final Dividend per} \\ \text{Scrip Shares} & & & & \text{Share converted into} \\ \text{to be received} & = & \text{Number of Shares held} & \times & \text{HK\$ (i.e. HK\$0.1598)} \\ & & \text{on the Record Date} & & \hline & & & & \text{average closing price over} \\ & & & & \text{five consecutive trading} \\ & & & & \text{days up to and including} \\ & & & & \text{4 May 2012 (i.e. HK\$3.254)} \end{array}$$

The number of Scrip Shares to be issued to the Shareholders will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

LETTER FROM THE BOARD

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 17,376,329,645 Shares in issue as at the close of business on the Record Date, the maximum number of Scrip Shares to be issued will be 853,330,509 Shares representing approximately 4.9% of the existing issued share capital of the Company and approximately 4.7% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them or as to their taxation position are recommended to consult their own professional advisers.

ADVANTAGE OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company because the cash which would otherwise be used to satisfy the 2011 Final Dividend will be retained by the Company for use as working capital and for its future expansion and/or development plan.

OVERSEAS SHAREHOLDERS

This circular will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him without the Company having to comply with any registration or other requirements or formalities in the relevant territory. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular for information only.

Based on the Company's register of members as at the Record Date, there were 12 Overseas Shareholders with registered addresses in Australia, Canada, the PRC, Macau, Malaysia and the United States of America.

Pursuant to Rule 13.36(2), the Company has made enquiry in respect of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places for the company to extend the Scrip Dividend Scheme to the Overseas Shareholders. The Directors note that there is no legal restriction under the applicable legislation of Australia, Macau, Malaysia and the United States of America in these jurisdictions with respect to the offer of the Scrip Shares to the Overseas Shareholders with registered addresses in these jurisdictions as at the Record Date.

The Directors, after having carefully weighed the time, costs and legal uncertainties involved in ensuring compliance with local legal requirements against the small number of Overseas Shareholders with registered addresses in Canada and the PRC, have decided that it would be expedient to exclude those Overseas Shareholders having registered addresses in Canada and the PRC as the Record Date (the "Excluded Shareholders") from the Scrip Dividend Scheme. Accordingly, the Company will not extend the Scrip Dividend Scheme to the Excluded Shareholders. Arrangement will be made for the Scrip Dividend Shares which would otherwise have been allotted to the Excluded Shareholders to be sold in the open market as soon as practicable, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rate to the relevant Excluded Shareholders in Hong Kong dollars and the Company will retain individual amounts of HK\$100 or less for its own benefit. This circular will be sent to the Excluded Shareholders for information only.

LETTER FROM THE BOARD

STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT

Application has been made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Scrip Shares. It is expected that the certificates for the Scrip Shares will be posted to the Shareholders at the risk of those entitled thereto on or about 15, June 2012. Dealings in the Scrip Shares on the Stock Exchange are expected to commence on or about 18, June 2012.

Subject to the granting of listing of, and permission to deal in, the Scrip Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. On 22 February 2008, the Company issued a RMB denominated USD settled convertible bond which is listed on the SGX-ST. Details of the convertible bond shall be referred to an announcement of the Company dated 15 February 2008. On 2 September 2009, the Company issued US\$300 million 11.750% senior notes due 2014, and on 16 September 2009, the Company issued additional US\$75 million 11.750% senior notes due 2014, both are listed on the SGX-ST. On 15 April 2010, the Company issued US\$550 million 11.25% senior notes due 2017 which is listed on SGX-ST. Please refer to the announcements of the Company dated 2 September 2009, 16 September 2009 and 16 April 2010 respectively for details of the senior notes. On 4 August 2010, the Company issued US\$400 million 10.50% senior notes due 2015, and on 23 February 2011, the Company issued US\$900 million 11.125% senior notes due 2018, both are also listed on the SGX-ST. Details of the senior notes shall be referred to the announcements of the Company dated 5 August 2010 and 17 February 2011 respectively. Save as disclosed above, no equity or debt securities of the Company is listed, or dealt in, on any other stock exchange, nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Rooms 901-904, 9/F, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including 1 June 2012.

- (a) Memorandum and articles of association of the Company;
- (b) The Companies Law of the Cayman Islands; and
- (c) Annual reports of the Company for each of the financial years ended 31 December 2009, 2010 and 2011.

By Order of the Board
Country Garden Holdings Company Limited
MO Bin
President & Executive Director