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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)**

(the "Company")

## **CONTINUING CONNECTED TRANSACTION**

### **EXTENSION OF CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcements of the Company dated 17 December 2010 and 31 October 2012 in relation to the continuing connected transaction for the provision of survey work, property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement.

It is expected that the Group will from time to time continue to enter into transactions of nature similar to the transactions under the Existing Design Services Agreement.

On 13 December 2013, 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 Elite Architectural Co. agreed to continue to provide survey work, property design and interior design services to the Group for a term of three years commencing from 1 January 2014.

### **LISTING RULES IMPLICATION**

Elite Architectural Co. is owned as to 52% by Ms. Yang, the ultimate controlling shareholder of the Company and an executive Director, and therefore is an associate of Ms. Yang and a connected person of the Company. The remaining 48% shareholding interest in Elite Architectural Co. is owned by Mr. Yang Erzhu, Mr. Su Rubo, Mr. Ou Xueming and Mr. Zhang Yaoyuan as to 12%, 12%, 12% and 12% respectively. Mr. Yang Erzhu, Mr. Su Rubo and Mr. Ou Xueming are the executive Directors whilst Mr. Zhang Yaoyuan is a former executive Director who has resigned from his directorship with the Company with effect from 13 December 2013.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Design Services Supplemental Agreement is/are more than 0.1% but less than 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **EXTENSION OF CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcements of the Company dated 17 December 2010 and 31 October 2012 in relation to the continuing connected transaction for the provision of survey work, property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement.

It is expected that the Group will from time to time continue to enter into transactions of nature similar to the transactions under the Existing Design Services Agreement.

## **DESIGN SERVICES SUPPLEMENTAL AGREEMENT**

Date: 13 December 2013

Parties: (1) Shunde Country Garden Co., a wholly-owned subsidiary of the Company;  
and  
(2) Elite Architectural Co.

Term: A term of three years commencing from 1 January 2014

Subject: Provision of survey work, property design and interior design services by Elite Architectural Co. to the Group

Price: The price for the provision of survey work, property design and interior design services shall be determined with reference to the market price and shall be no less favourable than that available to any Independent Third Parties, which shall be settled within 10 working days after the parties thereto have confirmed the amount of services fees for each design project.

Save for the extension of the term of the Existing Design Services Agreement and the amendment to the annual caps as set out below, all the other provisions of the Existing Design Services Agreement remain unchanged.

## Annual caps and basis of determination

The actual fees for the provision of survey work, property design and interior design services paid by the Group to Elite Architectural Co. under the Existing Design Services Agreement during each of the two years ended 31 December 2012 and the 10 months ended 31 October 2013 were as follows:

<b>For the year ended 31 December 2011</b>	<b>For the year ended 31 December 2012</b>	<b>For the 10 months ended 31 October 2013</b>
RMB255.2 million (equivalent to approximately HK\$324.1 million)	RMB395.9 million (equivalent to approximately HK\$502.8 million)	RMB525.1 million (equivalent to approximately HK\$666.9 million)

The proposed annual caps for the fees for the provision of survey work, property design and interior design services by the Group to Elite Architectural Co. for each of the three years ending 31 December 2016 are as follows:

	<b>For the year ending 31 December</b>		
<b>2014</b>	<b>2015</b>		<b>2016</b>
RMB1,500 million (equivalent to approximately HK\$1,905 million)	RMB1,800 million (equivalent to approximately HK\$2,286 million)		RMB2,000 million (equivalent to approximately HK\$2,540 million)

The above proposed annual caps for each of the years ending 31 December 2016 are determined after having taken into account (i) the amount of fees paid by the Group to Elite Architectural Co. during each of the two years ended 31 December 2012 and the 10 months ended 31 October 2013, (ii) the estimated GFA which will require the survey work, property design and interior design services of Elite Architectural Co. for each of the three years ending 31 December 2016 and (iii) the estimated amount of service fees chargeable by Elite Architectural Co. for each square metre of property which requires its services.

## PRINCIPAL BUSINESSES AND REASONS FOR THE TRANSACTIONS

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 one-stop services such that it will be involved from an early stage of each of the Group's property development projects will be more efficient and will expedite the development process, which in turn will be beneficial to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Design Services Supplemental Agreement was 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 as to 52% by Ms. Yang, the ultimate controlling shareholder of the Company and an executive Director, and therefore is an associate of Ms. Yang and a connected person of the Company. The remaining 48% shareholding interest in Elite Architectural Co. is owned by Mr. Yang Erzhu, Mr. Su Rubo, Mr. Ou Xueming and Mr. Zhang Yaoyuan as to 12%, 12%, 12% and 12% respectively. Mr. Yang Erzhu, Mr. Su Rubo and Mr. Ou Xueming are the executive Directors whilst Mr. Zhang Yaoyuan is a former executive Director who has resigned from his directorship with the Company with effect from 13 December 2013.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Design Services Supplemental Agreement is/are more than 0.1% but less than 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since (i) Ms. Yang, Mr. Yang Erzhu, Mr. Su Rubo and Mr. Ou Xueming are shareholders of Elite Architectural Co. and (ii) Mr. Yeung Kwok Keung, Mr. Yang Zhicheng and Mr. Yang Yongchao, all being executive Directors, are the associates of Ms. Yang and have a material interest in each of the Design Services Supplemental Agreement, they have abstained from voting on the resolutions at the Board meeting to approve the transactions contemplated thereunder.

## **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
“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 persons”	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 13 December 2013 entered into between Shunde Country Garden Co. and Elite Architectural Co. pursuant to which the Existing Design Services Agreement shall be further extended for a term of 3 years commencing from 1 January 2014
“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 and is an associate of Ms. Yang and thus a connected person of the Company
“Existing Design Services Agreement”	the agreement dated 27 March 2007 (as amended and supplemented by the agreement dated 20 June 2008, 17 December 2010 and 31 October 2012) entered into between Shunde Country Garden Co. and Elite Architectural Co. in respect of the provision of survey work, property design and interior design services by Elite Architectural Co. to the Group until 31 December 2013
“GFA”	gross floor area
“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
“Independent Third Parties”	company(ies) or individual(s) not connected with (within the meaning of the Listing Rules) any of the Directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Yang”	Ms. Yang Huiyan (楊惠妍), an executive Director and the ultimate controlling Shareholder of the Company
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.01 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 established in the PRC on 2 April 1997 as a limited liability company and was transformed 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 reference only. If there is any consistency between the Chinese names of any of the PRC entities and their English translation, the Chinese names shall prevail.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of RMB1.00 = HK\$1.27. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

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

Hong Kong  
13 December 2013

*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), Mr. ZHU Rongbin (Associate President), Ms. YANG Ziying, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. LIU Hongyu and Mr. MEI Wenjue.*