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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)**

### **CONNECTED TRANSACTION**

## **ACQUISITION OF 80% EQUITY INTEREST IN WUZHOU HEFU PROPERTY DEVELOPMENT COMPANY LIMITED**

The Board announces that on 30 August 2013, Shunde Yayu entered into the Share Transfer Agreement with Taishan Country Garden, an indirectly wholly-owned subsidiary of the Company, pursuant to which Shunde Yayu agreed to sell and Taishan Country Garden agreed to acquire the Subject Interest, at a consideration of RMB357,706,400 (equivalent to approximately HK\$454,287,128).

As the Vendor is owned as to 90% by Mr. Wu Weizong (吳偉忠) and 10% by Mr. Wu Tingxuan (吳庭軒), both of whom are relatives of Mr. Yeung Kwok Keung, the chairman and executive Director of the Company, the Vendor is a connected person of the Company. The Acquisition constitutes a connected transaction for the Company pursuant to Rule 14A.13 of the Listing Rules.

As the relevant percentage ratios of the Acquisition as defined under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the Acquisition is subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

# THE SHRAE TRANSFER AGREEMENT

**Date:** 30 August 2013

**Parties:** Vendor: 佛山市順德區雅宇房產開發有限公司  
(Foshan Shunde Yayu Property Development Company Limited\*)

The Vendor is owned as to 90% by Mr. Wu Weizong (吳偉忠) and 10% by Mr. Wu Tingxuan (吳庭軒), both of whom are relatives of Mr. Yeung Kwok Keung, the chairman and executive Director of the Company. Hence the Vendor is a connected person of the Company.

Purchaser: 台山市碧桂園房地產開發有限公司  
(Taishan Country Garden Property Development Company Limited\*), an indirect wholly-owned subsidiary of the Company

**Interests to be acquired:** Pursuant to the Share Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Subject Interest.

Upon completion of the Acquisition, the Target Company will become a subsidiary of the Company.

**Consideration and payment Terms:** The Consideration is RMB357,706,400 (equivalent to approximately HK\$454,287,128), which was arrived at after arm's length negotiation between the Vendor and the Purchaser and on normal commercial terms with reference to:

- (a) the Vendor's acquisition costs of the Subject Interest of RMB92.53 million (equivalent to approximately HK\$117,513,100); and
- (b) loans advanced by the Vendor to the Target Company and interest accrued on such loans together for an aggregate amount equal to RMB265,176,400 (equivalent to approximately HK\$336,774,028).

The Consideration shall be paid by the Purchaser to the Vendor within 10 Business Days after completion of Registration (as defined below).

In the event that the Purchaser fails to pay the Consideration pursuant to the terms of the Share Transfer Agreement, the Purchaser shall pay compensation equivalent to 0.01% of the unpaid balance of the Consideration for each day such amount is due until full payment.

The Purchaser will satisfy the Consideration from the Group's internal resources.

**Other major terms**

The Vendor and the Purchaser shall procure the registrations of the transfer of the Subject Interest with the relevant governmental authorities in the PRC, including but not limited to the change of shareholders, amendment of the memorandum and articles of association of the Target Company and other relevant changes, (“**Registration**”) within 5 Business Days from the date of the Share Transfer Agreement.

If due to the reasons of the Vendor, Registration is not completed within 5 Business Days after the date of signing of the Share Transfer Agreement or it adversely affects the Purchaser’s fulfilment of the purpose for entering into the Share Transfer Agreement, the Vendor shall pay to the Purchaser a compensation of RMB500,000 for each day after the 5th Business Day from the date of the Share Transfer Agreement.

The Vendor shall be solely responsible for all costs or expenses arising out of the transfer of the Subject Interest, including but not limited to relevant costs for the completion of the Registration.

All taxes arising out of or consequential to the Acquisition shall be settled by that party prescribed to be liable for such taxes under the relevant tax laws, regulations and policies in the PRC and if not so prescribed, it shall be negotiated and agreed between the Vendor and Purchaser.

**INFORMATION REGARDING THE TARGET COMPANY**

The Target Company is engaged in the principal business of the development and management of property in the PRC.

The Target Company is established as a limited liability in the PRC on 8 July 2011. According to the audited financial statements of the Target Company for the twelve months ended 31 December 2012, the audited net loss of the Target Company both before and after taxation and extraordinary items is RMB2,201,056.20 (equivalent to approximately HK\$2,795,341.37). According to the audited financial statements of the Target Company for the seven months ended 31 July 2013, the total assets of the Target Company is RMB264,448,177.90 (equivalent to approximately HK\$335,849,185.93) and the net liability of the Target Company is RMB2,391,918.21 (equivalent to approximately HK\$3,037,736.13).

**REASONS FOR THE ACQUISITION AND ITS BENEFITS**

The Directors consider that the Acquisition are in line with the Group’s business strategy of property development in the PRC and that the Acquisition will contribute positively to the Group’s profit and future development by broadening the base of property projects and business opportunities of the Group, which will provide a long-term benefit to the Company and its shareholders taken as a whole.

In view of the above, the Directors (including the independent non-executive Directors) of the Company consider that the terms of the Acquisition were determined upon normal commercial terms by the parties after arm's length negotiations, and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

An independent third party professional property valuer, CBRE Limited, was engaged to value the Subject Interest. According to the valuation of CBRE Limited, as at July 2013, the Subject Interest is valued at approximately 136,300,000 (equivalent to approximately HK\$173,101,000).

## **GENERAL INFORMATION ON THE PARTIES**

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

Shunde Yayu is a limited liability company incorporated under the laws of the PRC which is principally engaged in property development and management in the PRC.

## **LISTING RULES IMPLICATIONS**

As both shareholders of the Vendor, Mr. Wu Weizong (吳偉忠) and Mr. Wu Tingxuan (吳庭軒), both of whom are relatives of Mr. Yeung Kwok Keung, the chairman and executive Director of the Company, the Vendor is a connected person of the Company. The Acquisition constitutes a connected transaction for the Company pursuant to Rule 14A.13 of the Listing Rules.

As the relevant percentage ratios of the Acquisition as defined under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the Acquisition is subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

## **DEFINITIONS**

“Acquisition”	the acquisition of 80% equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Share Transfer Agreement;
“Board”	the board of Directors;
“Business Day”	any day, other than a Saturday, Sunday or public holiday, on which licensed banks are generally open for business in the PRC;
“Company”	Country Garden Holdings Company Limited (碧桂園控股有限公司), a company incorporated in the Cayman Islands with limited liability on 10 November 2006, the shares of which are listed on the Main Board of the Stock Exchange (stock code 2007);
“Consideration”	RMB357,706,400, being the total consideration for the Acquisition;

“Director(s)”	the director(s) of the Company;
“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 PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Transfer Agreement”	the share transfer agreement dated 30 August 2013 entered into between the Vendor and the Purchaser in relation to the Acquisition;
“Shunde Yayu” or “Vendor”	佛山市順德區雅宇房產開發有限公司 (Foshan Shunde Yayu Property Development Company Limited*), a limited liability company incorporated under the laws of the PRC on 2 June 2002 and which is owned as to 90% by Mr. Wu Weizong (吳偉忠) and 10% by his son, Mr. Wu Tingxuan (吳庭軒), both of whom are relatives of Mr. Yeung Kwok Keung, the chairman and executive Director of the Company, and connected persons of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subject Interest”	80% of the equity interest in the Target Company owned by the Vendor;
“subsidiary(ies)”	has the meaning ascribed to it as defined in the Listing Rules;
“Target Company”	梧州市合富房地產開發有限公司 (Wuzhou Hefu Property Development Company Limited*), a limited company established under the laws of the PRC;
“Taishan Country Garden”/ ”Purchaser”	台山市碧桂園房地產開發有限公司 (Taishan Country Garden Property Development Company Limited*), a limited liability company established under the laws of the PRC on 23 June 2006 and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

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.

On behalf of  
**Country Garden Holdings Company Limited**  
**MO Bin**  
*President and Executive Director*

Foshan, Guangdong Province, the PRC, 30 August 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 Ziyang, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. XIE Shutai, Mr. SONG Jun and Mr. LIANG Guokun. 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.*

\* *English name for identification purposes only*