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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 10 May 2013 in respect of the 2013 GL Construction Services Agreement entered into between Giant Leap, a wholly-owned subsidiary of the Company, with Qingyuan CG, pursuant to which the parties agreed that Giant Leap will provide construction services to Qingyuan CG for a term of two years from 1 January 2013 to 31 December 2014.

As the 2013 GL Construction Services Agreement is due to expire on 31 December 2014, the 2015 GL Construction Services Agreement was entered into on 16 December 2014 to renew the 2013 GL Construction Services Agreement for a term of two years commencing from 1 January 2015 to 31 December 2016 (both days inclusive). Pursuant to the 2015 GL Construction Services Agreement, the parties agreed that Giant Leap will perform construction services for a term of two years commencing on 1 January 2015 and subject to the annual caps of not exceeding RMB200 million for each of the year ending 31 December 2015 and 2016, respectively.

Giant Leap is a wholly-owned subsidiary of the Company and Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo and as to 12% by Mr. OU Xueming, each being a Director and as to 12% by Mr. ZHANG Yaoyuan, a former director of the Company who resigned on 13 December 2013. Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company and Qingyuan CG is an associate of Ms. YANG Huiyan. Qingyuan CG is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into the 2015 GL Construction Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rule.

As the applicable percentage ratios of the annual cap for the 2015 GL Construction Services Agreement exceed 0.1% but are below 5%, the transactions contemplated under the 2015 GL

Construction Services Agreement are exempted from independent shareholders' approval requirements but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 10 May 2013 in respect of the 2013 GL Construction Services Agreement entered into between Giant Leap, a wholly-owned subsidiary of the Company, with Qingyuan CG, pursuant to which the parties agreed that Giant Leap will provide construction services to Qingyuan CG for a term of two years from 1 January 2013 to 31 December 2014.

As the 2013 GL Construction Services Agreement is due to expire on 31 December 2014, the 2015 GL Construction Services Agreement was entered into on 16 December 2014 to renew the 2013 GL Construction Services Agreement for a term of two years commencing from 1 January 2015 to 31 December 2016 (both days inclusive).

Details of the 2015 GL Construction Services Agreement are set out as below:

2015 GL CONSTRUCTION SERVICES AGREEMENT

- Date : 16 December 2014
- Parties : (1) Giant Leap; and
(2) Qingyuan CG
- Term : The 2015 GL Construction Services Agreement has a fixed term of two years commencing from 1 January 2015 to 31 December 2016 (both days inclusive).
- Subject : Pursuant to the 2015 GL Construction Services Agreement, Giant Leap will provide construction services to Qingyuan CG.
- Price : The prices for the transactions contemplated under the 2015 GL Construction Services Agreement will be determined with reference to the prevailing market prices of similar construction services. The prevailing market price is determined through a periodic price research conducted by the staff of the business department of the Group by obtaining the prevailing prices of construction services charged by construction services providers in the market for similar services comparable to the transactions contemplated under the 2015 GL Construction Services Agreement. In the case where no alternatives are available in the market, the prices will be determined after arm's length negotiation by agreement between the parties based on prices no less favourable from independent third parties or reasonably agreed between the parties.
- Payment : Pursuant to the 2015 GL Construction Services Agreement, payment will be settled by way of cash payment, cheque, telegraphic transfer or cashier order within 30 business days after the parties thereto have confirmed the services fees for each project/transaction.

The Annual Caps and Basis of Determination

The transactions under the 2013 GL Construction Services Agreement will expire on 31 December 2014. Accordingly, the 2015 GL Construction Services Agreement is proposed to be entered into to govern the transactions as contemplated thereunder. The historical transaction amounts between Giant Leap and Qingyuan CG for the financial year ended 31 December 2013 and the 11 months ended 30 November 2014 were as follows:

	For the year ended 31 December 2013	For the 11 months ended 30 November 2014*
	<i>RMB</i>	<i>RMB</i>
Annual cap	260,000,000	260,000,000
Provision of construction services	253,110,000	194,580,000

* *unaudited figures*

As at the date of this announcement, the annual caps under the 2013 GL Construction Services Agreement for the two years ending 31 December 2014 have not been exceeded.

It is proposed that the cap amounts of the transactions under the 2015 GL Construction Services Agreement for each of the two financial years ending 31 December 2015 and 2016 will not exceed the followings:

	2015	2016
	<i>RMB</i>	<i>RMB</i>
Provision of construction services	200,000,000	200,000,000

The cap amounts of the transactions under the 2015 GL Construction Services Agreement are determined with reference to (i) historical transaction amounts paid to the Group under the 2013 GL Construction Services Agreement; (ii) the gross floor area of the land development of Qingyuan CG which may engage construction services from Giant Leap for each of the two financial years ending 31 December 2015 and 2016; and (iii) the costs in providing the construction services by Giant Leap for each of the two financial years ending 31 December 2015 and 2016.

Reasons for and Benefit of Entering into the 2015 GL Construction Services Agreement

Giant Leap is a wholly-owned subsidiary of the Company and is principally engaged in the provision of construction services in the PRC. Qingyuan CG is principally engaged in real estate development in Qingyuan City, the PRC. The Directors believe that the continue supply of construction services under the 2015 GL Construction Services Agreement will benefit the Group by bringing profits and as another continuing source of income to the Group.

The Directors (including the independent non-executive Directors) are of the view that the 2015 GL Construction Services 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

Giant Leap is a wholly-owned subsidiary of the Company and Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo and as to 12% by Mr. OU Xueming, each being a Director and as to 12% by Mr. ZHANG Yaoyuan, a former director of the Company who resigned on 13 December 2013. Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company and Qingyuan CG is an associate of Ms. YANG Huiyan. Qingyuan CG is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into the 2015 GL Construction Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rule.

As the applicable percentage ratios of the annual cap for the 2015 GL Construction Services Agreement exceed 0.1% but are below 5%, the transactions contemplated under the 2015 GL Construction Services Agreement are exempted from independent shareholders' approval requirements but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan. Each of Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo and Mr. OU Xueming is a Director. Accordingly, each of Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo and Mr. OU Xueming is considered to have a material interest in the 2015 GL Construction Services Agreement and each of them have abstained from attending the board meeting and/or voting on the board resolution to approve the transactions contemplated under the 2015 GL Construction Services Agreement.

GENERAL

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise of construction, decoration, project development, property management, as well as hotel development and management services.

DEFINITIONS

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

“2013 GL Construction Services Agreement”	the agreement dated 10 May 2013 entered into between Giant Leap and Qingyuan CG pursuant to which the parties agreed that Giant Leap will perform construction services to Qingyuan CG for the period from 1 January 2013 to 31 December 2014
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“2015 GL Construction Services Agreement”	the agreement dated 16 December 2014 entered into between Giant Leap and Qingyuan CG pursuant to which the parties
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agreed that Giant Leap will perform construction services to Qingyuan CG for the period from 1 January 2015 to 31 December 2016

“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 person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Giant Leap”	Guangdong Giant Leap Construction Co., Ltd. (廣東騰越建築工程有限公司) which was incorporated in the PRC on 25 March 1997 as a limited liability company and is a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“independent third parties”	has the meaning ascribed to it under the Listing Rules
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Qingyuan CG”	Qingyuan Country Garden Property Development Co., Ltd (清遠碧桂園物業發展有限公司), which was incorporated in the PRC as a limited liability company and is an associate of Ms. YANG Huiyan and a connected person of the Company
“%”	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
WU Jianbin
Executive Director

Hong Kong, 16 December 2014

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), Mr. WU Jianbin (Chief Financial Officer), Ms. YANG Ziyang, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, 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, Mr. MEI Wenjue and Mr. YEUNG Kwok On.