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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)

PRIVATE PLACEMENT OF US\$250 MILLION 7.50% SENIOR NOTES DUE 2019

On 14 May 2014, the Company, the Subsidiary Guarantors and the Subscriber entered into the Subscription Agreement in relation to the issue and sale to the Subscriber of US\$250 million in principal amount of 7.50% senior notes due 2019 in a private placement. According to the Subscription Agreement, the Subscriber agrees with the Company with respect to the issue and sale by the Company, and the subscription and purchase by the Subscriber, of the Notes subject to the terms and provision of the Subscription Agreement.

The estimated net proceeds of the Notes Issue, after deducting the estimated expenses, will amount to approximately US\$249.5 million. The Company intends to use the net proceeds from the Notes Issue to refinance a portion of the 2017 Notes and for general corporate purposes.

Closing of the Subscription Agreement and the Notes Issue is, subject to fulfilment of certain conditions precedent, expected to take place on or about 5 June 2014.

The Board is pleased to announce that on 14 May 2014, the Company, the Subsidiary Guarantors and the Subscriber entered into the Subscription Agreement in relation to the Notes Issue. According to the Subscription Agreement, the Subscriber agrees with the Company with respect to the issue and sale by the Company, and the subscription and purchase by the Subscriber, of the Notes subject to the terms and provision of the Subscription Agreement.

THE SUBSCRIPTION AGREEMENT

Date: 14 May 2014

- Parties: (a) the Company as the issuer;
- (b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes;
- (c) the Subscriber; and
- (d) HSBC as the arranger and settlement agent.

HSBC is the sole and exclusive arranger and settlement agent in connection with the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, HSBC is an independent third party and not a connected person of the Company and its connected persons.

None of the Notes are being offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Principal terms of the Notes

Issuer:	the Company
Aggregated principal amount:	US\$250 million
Offering price:	100% of the principal amount of the Notes and accrued interest, if any
Settlement date:	5 June 2014 or such other date as shall be agreed by the Company and the Subscriber in writing
Interest rate:	7.50% per annum, payable semi-annually in arrears in 5 June and 5 December of each year, commencing on 5 December 2014
Maturity:	5 June 2019
Subsidiary Guarantees:	guarantees will be provided by the Subsidiary Guarantors

The Notes are general obligations of the Company and guaranteed by the Subsidiary Guarantors on a senior basis. The Notes are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes and rank at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law). The Notes are also effectively subordinated to all existing and future obligations of the subsidiaries of the Company other than the Subsidiary Guarantors.

Covenants

The Notes, the Indenture and the guarantees to be provided by the Subsidiary Guarantors will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of restricted subsidiaries;
- (e) guarantee indebtedness of restricted subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Events of default

The events of defaults under the Notes include, among other things:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) defaults in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes;

- (iv) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$20 million or more in the aggregate for all such indebtedness (a) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (v) one or more final judgments or orders for the payment of money are rendered against the Company or any of its restricted subsidiaries and are not paid or discharged;
- (vi) involuntary bankruptcy or insolvency proceedings against the Company or any restricted subsidiary;
- (vii) voluntary bankruptcy or insolvency proceedings commenced by the Company or any restricted subsidiary; and
- (viii) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security provided in relation to the Notes.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deducting the estimated expenses, will amount to approximately US\$249.5 million. The Company intends to use the net proceeds from the Notes Issue to refinance a portion of the 2017 Notes and for general corporate purposes.

Ratings

The Notes are expected to be rated BB by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

ABOUT COUNTRY GARDEN

The Group is one of the leading integrated property developers in the PRC, with substantially all of the Group's assets and operations based in the PRC. The Group's primary business is the development of large-scale residential community projects and the sale of various types of properties, including townhouses, apartment buildings, parking spaces and retail shops. As an integrated property developer, the Group's lines of business also include construction, installation, fitting and decoration as well as property management. Ancillary to the Group's projects, the Group also develops and manages hotels within some of the Group's projects to enhance their potential for value appreciation. The residential projects of the Group are generally located in suburban areas of first-tier cities, and in the newly urbanized town centers of second-tier and third-tier cities. In December 2011, the Group expanded operations into Malaysia. The Group is also planning to launch a new project in Sydney, Australia in the second half of 2014.

DEFINITIONS

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

“2017 Notes”	the USD550 million 11.25% senior notes due 2017 issued by the Company on 22 April 2010
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, the sole and exclusive arranger and settlement agent in respect of the private placement of the Notes
“Indenture”	the Indenture to govern the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$250 million 7.50% senior notes due 2019 to be issued by the Company to the Subscriber in a private placement
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“S&P”	Standard & Poor’s Rating Group, a division of the McGraw-Hill Companies, and its successors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Uniontop Enterprises Limited, a company incorporated in the British Virgin Islands, a wholly owned subsidiary of Shau Kee Financial Enterprises Limited

“Subscription Agreement”	the agreement dated 14 May 2014 entered into between the Company, the Subsidiary Guarantors, HSBC and the Subscriber in relation to the Notes Issue
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain subsidiaries of the Company which will guarantee payment of the Notes pursuant to the Indenture
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Country Garden Holdings Company Limited
Wu Jianbin
Executive Director

Foshan, Guangdong Province, PRC
14 May 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), Ms. YANG Ziyang, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun, Mr. SU Baiyuan and Mr. WU Jianbin. 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.