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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)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF CG PROPERTY SERVICES ON THE SHANGHAI STOCK EXCHANGE

Reference is made to the announcement of the Company dated 16 March 2016 in relation to the possible spin-off and separate listing of the property management business of the Group on the SSE.

The Board announces that on 31 August 2016, CG Property Services, a non-wholly owned Subsidiary, has submitted an application to CSRC, and received the notice of acceptance on 7 September 2016, for the initial public offering and the listing of its ordinary shares denominated in RMB by way of A Shares listing on the SSE.

As the Proposed Spin-off is subject to, among other things, certain market conditions and approval of CSRC and the SSE, the Proposed Spin-off may or may not materialise. Shareholders of the Company and public investors are reminded to exercise caution in dealing in the securities of the Company.

Introduction

Reference is made to the announcement of the Company dated 16 March 2016 in relation to the possible spin-off and separate listing of the property management business of the Group on the SSE.

The Board announces that on 31 August 2016, CG Property Services, a non-wholly owned Subsidiary, has submitted an application to CSRC, and received the notice of acceptance on 7 September 2016, for the initial public offering and the listing of its ordinary shares denominated in RMB by way of A Shares listing on the SSE.

The Proposed Spin-off

The Company will seek a separate listing of the shares of CG Property Services by way of A Shares listing on the SSE. In connection with the Proposed Spin-off, it is expected that CG Property Services will effect an offering of up to 40,100,000 shares for subscription on the SSE, representing approximately 10% of its enlarged issued share capital. It is expected that CG Property Services will remain as a Subsidiary immediately after the Proposed Spin-off.

Information on CG Property Services

CG Property Services is a non-wholly owned Subsidiary and is responsible for all of the property management business of the Group, including residential properties, commercial properties, tourism properties and combined purposes properties. The property management services of CG Property Services cover the full spectrum of property management and related services, which mainly include property management and property management related consulting services, household cleaning and maintenance services (special equipment maintenance excluded), landscaping and landscaping maintenance services and property leasing.

Certain subsidiaries of CG Property Services are also licensed to engage in the management and operation of car parks and recreational facilities (e.g. basketball courts, tennis courts, football fields, badminton courts and swimming pools), property agency services, and the management of beaches and marine activities (e.g. recreational speedboats).

Reasons and Benefits of the Proposed Spin-off

The Directors consider that the Proposed Spin-off is commercially desirable and in the interests of the shareholders of the Company as the Proposed Spin-off will further strengthen the corporate governance structure of CG Property Services and enhance the liquidity of its equity interest, thus facilitating the introduction of strategic investors, promotion of corporate image and realisation of sustainable development.

The Board believes that a separate listing of CG Property Services will provide diversified funding sources for it to finance existing operations and future expansions.

Listing Rules Implication

It is currently expected that the Proposed Spin-off will include an offering of shares by CG Property Services on the SSE for subscription, such offering will constitute a deemed disposal by the Company of an interest in a Subsidiary under Rule 14.29 of the Listing Rules. As each of the applicable ratios in respect of the proposed offering is expected to be below 5%, the Proposed Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Company has submitted a proposal in relation to the Proposed Spin-off to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

Waiver from Strict Compliance with Paragraph 3(f) of Practice Note 15 of the Listing Rules

Paragraph 3(f) of Practice Note 15 of the Listing Rules requires listed issuers contemplating a spin-off to provide existing shareholders with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity. However, based on the advice of the PRC legal counsel of CG Property Services, only the following categories of investors can invest in shares listed on the SSE: (i) PRC citizens of 18 years old or above; (ii) foreign natural persons with permanent residency in the PRC; (iii) PRC institutional investors; (iv) residents of Hong Kong, Macau or Taiwan who work and live in the PRC; and (v) qualified foreign institutional investors, and foreign investors that conform to certain requirements under the PRC law.

As a result, it is not feasible for the Proposed Spin-off to comply with Paragraph 3(f) of Practice Note 15 of the Listing Rules. The Company, accordingly, has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Paragraph 3(f) of Practice Note 15 of the Listing Rules.

Having considered that CG Property Services and the Company would need to comply with the requirements under the laws of the PRC, and CG Property Services will remain a non-wholly owned Subsidiary upon completion of the Proposed Spin-off, the Board is of the view that the Proposed Spin-off and the non-provision of an assured entitlement in relation to the Proposed Spin-off is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

General

As the Proposed Spin-off is subject to, among other things, certain market conditions and approval of CSRC and the SSE, the Proposed Spin-off may or may not materialise. Shareholders of the Company and public investors are reminded to exercise caution in dealing in the securities of the Company.

Definitions

In this announcement, unless the context otherwise requires, the following expressions will have the following respective meanings:

“A Shares”	ordinary share(s) denominated in RMB issued by companies and listed on a stock exchange in the PRC;
“Board”	the board of directors of the Company;
“CG Property Services”	廣東碧桂園物業服務股份有限公司 (Guangdong Country Garden Property Services Co., Ltd.), a company established under the laws of the PRC, a non-wholly owned Subsidiary;
“Company”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2007);
“CSRC”	China Securities Regulatory Commission;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Proposed Spin-off”	the proposed spin-off and separate listing of the ordinary shares of CG Property Services by way of A Shares listing on the SSE;
“RMB”	Renminbi, the lawful currency of the PRC;
“SSE”	The Shanghai Stock Exchange;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“Subsidiary(ies)”

subsidiary(ies) of the Company.

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

Hong Kong, 7 September 2016

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. 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. MEI Wenjue and Mr. YEUNG Kwok On.