
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this document or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Country Garden Holdings Company Limited**, you should at once hand this circular and the accompanying form of election to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2008 FINAL DIVIDEND**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2008 Final Dividend”	the final dividend of RMB3.00 cents per Share for the year ended 31 December 2008 payable to the Shareholders whose names were recorded on the register of members of the Company on the Record Date
“Board”	the board of Directors
“Company”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	Overseas Shareholders who are excluded from the Scrip Dividend Scheme and more particularly defined in the section headed “Overseas Shareholders” in this circular
“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
“Latest Practicable Date”	15 June 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme
“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company at the close of business on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China, except where the context requires, geographical references to PRC exclude Hong Kong, Macau and Taiwan
“Record Date”	Thursday, 4 June 2009
“RMB”	Renminbi, the lawful currency of the PRC
“Scrip Dividend Scheme”	the scheme offering the Shareholders scrip dividend option whereby the Shareholders may elect to receive their 2008 Final Dividend wholly or partly by the allotment of New Shares credited as fully paid in lieu of cash dividend
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

DEFINITIONS

“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. YEUNG Kwok Keung (*Chairman*)
Mr. CUI Jianbo (*President*)
Ms. YANG Huiyan
Mr. YANG Erzhu
Mr. SU Rubo
Mr. ZHANG Yaoyuan
Mr. OU Xueming
Mr. YANG Zhicheng
Mr. YANG Yongchao

Independent Non-Executive Directors:

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung, Ronald

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in the PRC

Shunde Country Garden
Beijiao Town
Shunde District
Foshan
Guangdong 528312
PRC

Principal Place of Business in Hong Kong:

9/F, Manulife Provident Funds Place
345 Nathan Road
Kowloon
Hong Kong

19 June 2009

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2008 FINAL DIVIDEND

INTRODUCTION

On 21 April 2009, the Board announced the audited consolidated results of the Group for the year ended 31 December 2008 and recommended the payment of the 2008 Final Dividend which is payable in cash with a scrip dividend option. At the annual general meeting of the Company held on 4 June 2009, the 2008 Final Dividend was approved by the Shareholders.

The purpose of this circular is to provide information relating to the Scrip Dividend Scheme and the action to be taken by the Shareholders in relation thereto.

LETTER FROM THE BOARD

THE SCRIP DIVIDEND SCHEME

The 2008 Final Dividend is payable in cash with a scrip dividend option to the Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date. To rank for the 2008 Final Dividend, the latest time for submission of all completed transfer forms accompanied by the relevant share certificates was 4:30 p.m. on Friday, 29 May 2009.

The Shareholders may elect to receive the 2008 Final Dividend in one of the following ways:

- (i) a cash dividend of RMB3.00 cents per Share; or
- (ii) an allotment of such number of New Shares credited as fully paid and having an aggregate market value (as calculated below) equal to, save for adjustment for fractions, the total amount of the 2008 Final Dividend which such Shareholder could elect to receive in cash (the “Maximum Entitlement”); or
- (iii) partly New Shares not exceeding the Maximum Entitlement and the remainder in cash.

If the Shareholders elect to receive the 2008 Final Dividend in cash, in whole or in part, such cash dividend will be paid in Hong Kong dollars which will be converted from RMB at the average middle rate of RMB to HK\$ as announced by the People’s Bank of China for the period from 29 May 2009 to 4 June 2009 (RMB1 = HK\$1.1347). Accordingly, the amount of the 2008 Final Dividend payable in Hong Kong dollars will be HK\$3.40 cents per Share.

For the purpose of calculating the Maximum Entitlement, the price of a New Share will be HK\$3.72, which is the average of the closing prices of one existing Share on the Stock Exchange for the five consecutive trading days up to and including Friday, 12 June 2009. Accordingly, a Shareholder electing for New Shares under option (ii) above will receive such number of New Shares as calculated below:

$$\begin{array}{rcccl} \text{Number of} & & \text{Number of existing Shares} & & \text{2008 Final Dividend per} \\ \text{New Shares to} & & \text{held on the Record Date} & & \text{Share converted in HK\$} \\ \text{be received} & = & \text{for which election for} & \times & \text{(i.e.HK\$3.40 cents)} \\ & & \text{New Shares is made} & & \hline & & & & \text{average closing price over} \\ & & & & \text{five consecutive trading days} \\ & & & & \text{up to and including} \\ & & & & \text{12 June 2009 (i.e. HK\$3.72)} \end{array}$$

The New Shares will rank *pari passu* in all respects with the existing issued Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2008 Final Dividend).

The number of New Shares to be issued to the Shareholders will be rounded down to the nearest whole number. Fractional entitlements to New Share under options (ii) and (iii) above will be disregarded and the benefit thereof will accrue to the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 16,360,000,000 Shares in issue as at the close of business on the Record Date, if no election for the New Shares is received, the total cash dividend payable by the Company will be approximately RMB490.8 million. If all Shareholders elect to receive their entitlements to the 2008 Final Dividend in the form of New Shares, the maximum number of New Shares to be issued will be 149,526,881 Shares representing approximately 0.91% of the existing issued share capital of the Company and approximately 0.91% of the then issued share capital of the Company as enlarged by the issue of the New Shares.

LETTER FROM THE BOARD

Shareholders should note that the New Shares may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them or as to their taxation position are recommended to consult their own professional advisers.

ADVANTAGE OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that such cash which would otherwise have been paid to the Shareholders who elect to receive the New Shares, in whole or in part and in lieu of a cash dividend, will be retained for use as working capital by the Company.

FORM OF ELECTION

A form of election for Shareholders to elect to receive the 2008 Final Dividend in New Shares is enclosed with this circular. If you wish to receive the 2008 Final Dividend wholly in cash, you do not need to take any action.

If you elect to receive the 2008 Final Dividend wholly in New Shares, or partly in cash and partly in New Shares, you should use the form of election. If you sign the form of election but do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive New Shares in respect of all the Shares of which you were then registered as the holder.

The form of election should be completed in accordance with the instructions printed thereon and returned to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received no later than 4:30 p.m. on Wednesday, 8 July 2009.

No acknowledgement of receipt of the form of election will be issued. Elections in respect of the 2008 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant forms of election are signed and lodged with the Company's Hong Kong branch share registrar.

OVERSEAS SHAREHOLDERS

This circular will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or a form of election in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him without the Company having to comply with any registration or other requirements or formalities in the relevant territory. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular for information only.

Based on the Company's register of members as at the Record Date, there were Overseas Shareholders with registered addresses in Australia, British Virgin Islands, Canada, China and Macau. The Directors, after having carefully weighed the time, costs and legal uncertainties involved in ensuring compliance with local legal requirements against the small number of Overseas Shareholders in these jurisdictions, have decided that it would be expedient to exclude those Overseas Shareholders having registered addresses outside Hong Kong but not having corresponding addresses in Hong Kong (the "Excluded Shareholders") from the Scrip Dividend Scheme. Accordingly, the forms of election will not be sent to the Excluded Shareholders and this circular will be sent to the Excluded Shareholders for information only. The Excluded Shareholders will receive the 2008 Final Dividend wholly in cash.

LETTER FROM THE BOARD

For the avoidance of doubt, the New Shares are not being offered to the public (other than the Shareholders) and the forms of election are not transferable. No Overseas Shareholder (except the Excluded Shareholders) will be excluded from the receipt of the 2008 Final Dividend in scrip form.

It is the responsibility of any Overseas Shareholder wishing to receive New Shares for the 2008 Final Dividend to satisfy itself as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Overseas Shareholders who are in any doubt as to their position should consult their own professional advisers.

STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT

Application has been made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the New Shares. It is expected that the certificates for the New Shares, and cheques for cash entitlements, will be posted to the Shareholders at the risk of those entitled thereto on or about Friday, 17 July 2009. Dealings in the New Shares on the Stock Exchange are expected to commence on or about Monday, 20 July 2009.

Subject to the granting of listing of, and permission to deal in, the New Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. On 22 February 2008, the Company issued a RMB denominated USD settled convertible bond which is listed on the Singapore Stock Exchange. Details of the convertible bond shall be referred to an announcement of the Company dated 15 February 2008. Save as disclosed above, no equity or debt securities of the Company is listed, or dealt in, on any other stock exchange, nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

New Shares issued to the Shareholders pursuant to an election to receive some or all of their 2008 Final Dividend in New Shares may be allocated in odd lots. No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the New Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares. In the unlikely event that the above condition is not satisfied, all forms of election will be disregarded and the Shareholders will receive the 2008 Final Dividend wholly in cash.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 9/F, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including Wednesday, 8 July 2009.

- (a) Memorandum and articles of association of the Company;
- (b) The Companies Law of the Cayman Islands; and
- (c) Annual reports of the Company for each of the financial years ended 31 December 2007 and 2008.

LETTER FROM THE BOARD

WAIVER FROM STRICT COMPLIANCE WITH RULES 19.10(2) AND 19.10(3) OF THE LISTING RULES

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 19.10(2) and 19.10(3) of the Listing Rules regarding the requirements to include in this circular summaries of (i) the provisions of the constitutive documents of the Company in so far as they may affect shareholders' rights and protections and directors' powers; and (ii) the relevant regulatory provisions of the jurisdiction in which the Company is incorporated.

GENERAL

Shareholders who are trustees are recommended to seek professional advice as to whether their election to receive the New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Whether or not it is to your advantage to receive cash or New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting from that decision are your responsibility. If you are in any doubt as to what to do, you are recommended to consult your own professional advisers

EXPECTED TIMETABLE

Last day of receipt of form of election	Wednesday, 8 July 2009
Dividend warrant and share certificate to Shareholders	Friday, 17 July 2009
Commencement of dealings in the New Shares	Monday, 20 July 2009

By Order of the Board
Country Garden Holdings Company Limited
CUI Jianbo
President & Executive Director