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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)**

### **ISSUE OF US\$300 MILLION 11.750% SENIOR NOTES DUE 2014**

On 2 September 2009, the Company, the Subsidiary Guarantors and J.P. Morgan entered into the Purchase Agreement in relation to the issue of US\$300 million 11.750% senior notes due 2014.

The estimated net proceeds of the Notes Issue will amount to approximately US\$294.7 million and the Company intends to use the proceeds to finance existing and new property project, including but not limited to payment of land premium and construction costs, to repay the existing CKWB Loan and for general corporate purposes.

Application has been made for the listing of Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

Reference is made to the announcement of the Company dated 1 September 2009 in relation to the Note Issue. The Board is pleased to announce that on 2 September 2009, the Company, the Subsidiary Guarantors and J.P. Morgan entered into the Purchase Agreement in relation to the Notes Issue.

# THE PURCHASE AGREEMENT

Date: 2 September 2009

- Parties: (a) the Company as the issuer;
- (b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes;
- (c) the Subsidiary Guarantor Pledgors that will pledge the capital stock of other Subsidiary Guarantors held by them to secure the obligations of the Company under the Notes and the Indenture and their obligations under their respective Subsidiary Guarantees; and
- (d) J.P. Morgan.

J.P. Morgan is the initial purchaser as well as the sole bookrunner and lead manager in respect of the offer and sale of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, J.P. Morgan is an independent third party and not a connected person of the Company and its connected persons.

The Notes will be offered by J.P. Morgan (i) in the United States, to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act, and (ii) outside the United States, in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

## Principle terms of the Notes

Issuer:	the Company
Aggregated principle amount:	US\$300 million
Offering Price:	100% of the principal amount of the Notes
Trade date:	10 September 2009
Interest rate:	11.750% per annum, payable semi-annually in arrears on 10 March and 10 September of each year, commencing 10 March 2010
Maturity:	10 September 2014
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 permitted investments;
- (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 others:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) defaults in the performance of or breaches 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\$10 million or more in the aggregate for all such indebtedness;
- (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 in the performance of any of its obligations under the security provided in relation to the Notes.

## **Redemption**

At any time, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 10 September 2012, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 111.750% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the Notes originally issued remains outstanding after each such redemption.

## **Reason for the Notes Issue**

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 home projects of the Group are generally located in suburban areas of first-tier cities, and in the newly urbanized town centers of second- and third-tier cities.

The Notes Issue is being undertaken to supplement the Group's funding of its expansion and growth plan. The Company believes that the Notes Issue will further extend the Company's international profile and improve its ability to access the international debt capital markets to support the growth of the Company.

## **Proposed use of proceeds**

The estimated net proceeds of the Notes Issue will amount to approximately US\$294.7 million and the Company intends to use the proceeds to finance existing and new property project, including but not limited to payment of land premium and construction costs, to repay the existing CKWB Loan and for general corporate purposes.

## **Listing**

Application has been made for the listing of Notes on the SGX-ST. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

## Rating

The Notes have been rated of BB- from Standard & Poor's and Ba3 by Moody's.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“CKWB Loan”	a loan facility with an aggregate principal amount up to US\$35,000,000 granted by CITIC Ka Wah Bank Limited to the Company
“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
“Indenture”	the indenture to govern the Notes
“J.P. Morgan”	J.P. Morgan Securities Ltd. as the sole bookrunner and lead manager in respect of the offer and sale of the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$300 million 11.750% senior notes due 2014 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People's Republic of China
“Purchase Agreement”	the agreement dated 2 September 2009 entered into between the Company, the Subsidiary Guarantors and J.P. Morgan in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended

“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain subsidiaries of the Company which will provide guarantees at the original issue date of the Notes to guarantee the Company’s obligations under the Notes
“Subsidiary Guarantor Pledgors”	each a Subsidiary Guarantor that will pledge the capital stock of other Subsidiary Guarantors held by it to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Country Garden Holdings Company Limited**  
**CUI Jianbo**  
*President and Executive Director*

Foshan, Guangdong Province, the PRC, 2 September 2009

*As at the date of this announcement, the Board of Directors of the Company comprises twelve Directors of which Mr. YEUNG Kwok Keung (Chairman), Mr. CUI Jianbo, Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan, Mr. OU Xueming, Mr. YANG Zhicheng and Mr. YANG Yongchao are executive Directors and Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald are independent non-executive Directors.*

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