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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)

**EXTENSION OF CONTINUING CONNECTED TRANSACTIONS
CHANGE IN COMPOSITION OF REMUNERATION COMMITTEE AND
CHANGE OF AUTHORIZED REPRESENTATIVE**

EXTENSION OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 20 June 2008 in relation to the continuing connected transactions for (i) the provision of property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement and (ii) the provision of water supply by Jiangkou Water Plant Co. to the Group's operations in Panyu and Shunde Districts, the PRC under the Existing Jiangkou Water Supply Agreement.

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the transactions under the Existing Design Services Agreement and the Existing Jiangkou Water Supply Agreement after their expiry on 31 December 2010. Accordingly, the Group entered into the Design Services Supplemental Agreement and the Jiangkou Water Supply Supplemental Agreement with the relevant parties on 17 December 2010 to ensure continuity of the continuing connected transactions under the Existing Design Services Agreement and the Existing Jiangkou Water Supply Agreement and extend their respective terms until 31 December 2013 and subject to the terms and conditions set out therein.

THE DESIGN SERVICES SUPPLEMENTAL AGREEMENT

On 17 December 2010, Shunde Country Garden Co., a wholly-owned subsidiary of the Company, entered into the Design Services Supplemental Agreement with Elite Architectural Co. pursuant to which Elite Architectural Co. agreed to continue to provide property design and interior design services to the Group for a term of three years commencing on 1 January 2011.

THE JIANGKOU WATER SUPPLY SUPPLEMENTAL AGREEMENT

On 17 December 2010, Shunde Country Garden Co., also entered into the Jiangkou Water Supply Supplemental Agreement with Jiangkou Water Plant Co. pursuant to which Jiangkou Water Plant Co. agreed to continue to provide water supply for the Group's operations in Panyu and Shunde Districts, the PRC for a term of three years commencing on 1 January 2011.

LISTING RULES IMPLICATION

Each of Elite Architectural Co. and Jiangkou Water Plant Co. is owned by certain Directors, namely, Ms. YANG (as to 52%), Mr. YANG Erzhu (as to 12%), Mr. SU Rubo (as to 12%), Mr. ZHANG Yaoyuan (as to 12%) and Mr. OU Xueming (as to 12%) and Ms. YANG is also the ultimate controlling shareholder of the Company. Each of Elite Architectural Co. and Jiangkou Water Plant Co. is an associate of Ms. YANG and is therefore a connected person of the Company.

In respect of the Design Services Supplemental Agreement, as the applicable percentage ratios in respect of the transactions contemplated therein are more than 0.1% but less than 5%, the transactions contemplated under the Design Services Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the Jiangkou Water Supply Supplemental Agreement, as the applicable percentage ratios in respect of the transactions contemplated therein (when aggregated with the applicable percentage ratios in respect of the transactions contemplated under the Crystal Water Supply Agreement as disclosed in the announcement of the Company dated 15 December 2009 which is of a similar nature to the Jiangkou Water Supply Supplemental Agreement) are more than 0.1% but less than 5%, the transactions contemplated under the Jiangkou Water Supply Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CHANGE IN COMPOSITION OF REMUNERATION COMMITTEE AND CHANGE OF AUTHORIZED REPRESENTATIVE

The Board also announces that with effect from 17 December 2010:-

- (1) Mr. CUI Jianbo has resigned as a member of the remuneration committee of the Company and an authorized representative of the Company. Mr. CUI will remain as an executive Director; and
- (2) Mr. MO Bin, being the president of the Company and an executive Director, has been appointed as a member of the remuneration committee of the Company and an authorized representative of the Company in place of Mr. CUI.

EXTENSION OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 20 June 2008 in relation to the continuing connected transactions for (i) the provision of property design and interior design services by Elite Architectural Co. to the Group under the Existing Design Services Agreement and (ii) the provision of water supply by Jiangkou Water Plant Co. to the Group's operations in Panyu and Shunde Districts, the PRC under the Existing Jiangkou Water Supply Agreement.

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the transactions under the Existing Design Services Agreement and the Existing Jiangkou Water Supply Agreement after their expiry on 31 December 2010. Accordingly, the Group entered into the Design Services Supplemental Agreement and the Jiangkou Water Supply Supplemental Agreement with the

relevant parties on 17 December 2010 to ensure continuity of the continuing connected transactions under the Existing Design Services Agreement and the Existing Jiangkou Water Supply Agreement and extend their respective terms until 31 December 2013 and subject to the terms and conditions set out therein.

THE DESIGN SERVICES SUPPLEMENTAL AGREEMENT

- Date : 17 December 2010
- Parties : (1) Shunde Country Garden Co., a wholly-owned subsidiary of the Company;
and
(2) Elite Architectural Co.
- Term : a term of three years commencing on 1 January 2011
- Subject : the provision of property design and interior design services by Elite Architectural Co. to the Group
- Price : the price for the provision of property design and interior design services shall be charged at RMB35 per square meter or determined with reference to the market price and shall be no less favourable than that available to any independent third parties, which shall be settled within 10 working days after the parties thereto have confirmed the amount of services fees for each design project

The annual caps and basis of determination

For each of the two years ended 31 December 2008 and 2009 and the 10 months ended 31 October 2010, the actual fees for the provision of property design and interior design services paid by the Group to Elite Architectural Co. amounted to approximately RMB180.96 million, RMB 226.39 million and RMB 145.45 million respectively. The annual caps of RMB300 million for each of the two years ended 31 December 2008 and 2009 have not been exceeded and it is anticipated that the annual cap of RMB300 million for 2010 will not be exceeded.

With reference to (i) the amounts paid by the Group under the Existing Design Services Agreement; (ii) the expected increase in both scale and number of the Group's land development projects in various provinces of the PRC in 2011 to 2013; (iii) the expected increase of the total GFA of projects of the Group which will require design services in 2011 to 2013 due to the increases in the GFA for development of these projects plus the GFA for development of new land to be acquired; and (iv) the increase in the unit price for the provision of property design and interior design services, it is estimated that the maximum amount of fees payable by the Group for property design and interior design services under the Design Services Supplemental Agreement for each of the three years ended 31 December 2011, 2012 and 2013 will not exceed RMB650 million.

THE JIANGKOU WATER SUPPLY SUPPLEMENTAL AGREEMENT

- Date : 17 December 2010
- Parties : (1) Shunde Country Garden Co., a wholly-owned subsidiary of the Company;
and
(2) Jiangkou Water Plant Co.

- Term : a term of three years commencing on 1 January 2011
- Subject : the supply of water by Jiangkou Water Plant Co. for the Group's projects in Panyu and Shunde Districts, the PRC
- Price : the price for the water supply shall be determined with reference to the market price and shall not be higher than those chargeable by other water plants operated by independent third parties in Panyu and Shunde Districts, the PRC, which shall be settled on a monthly basis based on the actual volume of water supplied

The annual caps and basis of determination

For each of the two years ended 31 December 2008 and 2009 and the 10 months ended 31 October 2010, the actual fees for water supply paid by the Group to Jiangkou Water Plant Co. amounted to approximately RMB5.33 million, RMB1.97 million and RMB2.90 million respectively. The annual caps of RMB6 million for each of the two years ended 31 December 2008 and 2009 have not been exceeded and it is anticipated that the annual cap of RMB6 million for 2010 will not be exceeded.

With reference to (i) the amounts paid by the Group under the Existing Jiangkou Water Supply Agreement and (ii) the anticipated water supply required for continuing property development and expansion of the property projects in Panyu and Shunde Districts, the PRC, it is estimated that the maximum amount of fees payable by the Group for water supply under the Jiangkou Water Supply Supplemental Agreement for each of the three years ended 31 December 2011, 2012 and 2013 will not exceed RMB4.5 million.

PRINCIPAL ACTIVITIES AND REASONS FOR AND BENEFIT OF THE TRANSACTIONS

The Company is an investment holding company and its subsidiaries, including Shunde Country Garden Co., are principally engaged in property development in the PRC including property development, construction, fitting and decoration, property management and hotel operation.

Elite Architectural Co. is a company which provides property design and interior design services to property development projects and has been providing property design and interior design services to the Group for a long time, and is familiar with the property style and capable of meeting the design requirements of the Group. Elite Architectural Co. holds a first-grade design quality certificate issued by the Ministry of Construction of the PRC and is constantly able to deliver quality design services to the Group on time and at competitive prices. The Board believes that having design services delivered by Elite Architectural Co. is one of the strengths which enable the Group to have rapid development, and hence prefers to obtain design services from Elite Architectural Co. rather than from other design services companies. The Board believes that the Design Services Supplemental Agreement enables the Group to develop and promote its unique brand and style in its property development projects and is beneficial to the Group.

Jiangkou Water Plant Co. which is engaged in the operation of a water plant, has been providing water supply to the Group for a long time and will continue to provide water supply for the construction, property management, hotel and restaurant operations in the Group's projects in Panyu and Shunde Districts, the PRC. The Directors believe that the Jiangkou Water Supply Supplemental Agreement ensures a quality and stable water supply to the Group's property development projects in Panyu and Shunde Districts, the PRC.

The Directors (including the independent non-executive Directors) are of the view that the Design Services Supplemental Agreement and the Jiangkou Water Supply Supplemental Agreement are 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

Each of Elite Architectural Co. and Jiangkou Water Plant Co. is owned by certain Directors, namely, Ms. YANG (as to 52%), Mr. YANG Erzhu (as to 12%), Mr. SU Rubo (as to 12%), Mr. ZHANG Yaoyuan (as to 12%) and Mr. OU Xueming (as to 12%) and Ms. YANG is also the ultimate controlling shareholder of the Company. Each of Elite Architectural Co. and Jiangkou Water Plant Co. is an associate of Ms. YANG and is therefore a connected person of the Company.

In respect of the Design Services Supplemental Agreement, as one or more of the applicable percentage ratios in respect of the transactions contemplated therein are more than 0.1% but less than 5%, the transactions contemplated under the Design Services Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the Jiangkou Water Supply Supplemental Agreement, as one or more of the applicable percentage ratios in respect of the transactions contemplated therein (when aggregated with the applicable percentage ratios in respect of the transactions contemplated under the Crystal Water Supply Agreement as disclosed in the announcement of the Company dated 15 December 2009 which is of a similar nature to the Jiangkou Water Supply Supplemental Agreement) are more than 0.1% but less than 5%, the transactions contemplated under the Jiangkou Water Supply Supplemental Agreement are only subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Given that (i) Ms. YANG, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan and Mr. OU Xueming (all being the substantial shareholders of each of Elite Architectural Co. and Jiangkou Water Plant Co.) and (ii) Mr. YEUNG Kwok Keung, Mr. YANG Zhicheng and Mr. YANG Yongchao (all being the associates of Ms. YANG) are the executive Directors and have a material interest in each of the Design Services Supplemental Agreement and the Jiangkou Water Supply Supplemental Agreement, they have abstained from voting on the resolutions at the Board meeting to approve the transactions contemplated under each of the Design Services Supplemental Agreement and the Jiangkou Water Supply Supplemental Agreement.

CHANGE IN COMPOSITION OF REMUNERATION COMMITTEE AND CHANGE OF AUTHORIZED REPRESENTATIVE

The Board also announces that with effect from 17 December 2010, Mr. CUI Jianbo has resigned as a member of the remuneration committee of the Company and an authorized representative of the Company. Mr. CUI will remain as an executive Director.

Following the resignation of Mr. CUI as abovementioned, the Board is pleased to announce that Mr. MO Bin, being the president of the Company and an executive Director, has been appointed as a member of the remuneration committee of the Company and an authorized representative of the Company in place of Mr. CUI.

Save as disclosed above, there are no other matters in relation to Mr. CUI's resignation as a member of the remuneration committee of the Company and an authorized representative of the Company that need to be brought to the attention of the Shareholders. Taking this opportunity, the Board would like to express its most sincere appreciation to Mr. CUI for his invaluable contribution and services to the Company as a member of the remuneration committee of the Company and an authorized representative of the Company.

Mr. CUI will remain as an executive Director. The Board further looks forward to the continuous support of Mr. MO and Mr. CUI to the Group.

DEFINITIONS

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

"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
"Crystal Water Supply Agreement"	the agreement dated 15 December 2009 entered into between Zengcheng Country Garden Property Development Co., Ltd. (增城市碧桂園物業發展有限公司), a wholly-owned subsidiary of the Company, and Zengcheng Crystal Water Plant Co., Ltd. (增城市清源自來水廠有限公司) in respect of the provision of water supply by Zengcheng Crystal Water Plant Co., Ltd. to the Group's operations in Zengcheng District, the PRC for a term of three years commencing on 1 January 2010 (details of which were disclosed in the announcement of the Company dated 15 December 2009)
"Design Services Supplemental Agreement"	the supplemental agreement dated 17 December 2010 entered into between Shunde Country Garden Co. and Elite Architectural Co. pursuant to which the Existing Design Services Agreement shall be further extended for a term of 3 years commencing on 1 January 2011
"Directors"	the directors of the Company
"Elite Architectural Co."	Guangdong Elite Architectural Co., Ltd. (廣東博意建築設計院有限公司) (formerly named Foshan Shunde Elite Architectural Co., Ltd. (佛山市順德區博意建築設計院有限公司)) which was incorporated in the PRC on 12 June 1997 as a limited liability company and an associate of Ms. YANG
"Existing Design Services Agreement"	the agreement dated 27 March 2007 (as amended by the agreement dated 20 June 2008) entered into between Shunde Country Garden Co. and Elite Architectural Co. in respect of the provision of property design and interior design services by Elite Architectural Co. to the Group until 31 December 2010

"Existing Jiangkou Water Supply Agreement"	the agreement dated 27 March 2007 (as amended by the agreement dated 20 June 2008) entered into between Shunde Country Garden Co. and Jiangkou Water Plant Co. in respect of the provision of water supply by Jiangkou Water Plant Co. to the Group's operations in Panyu and Shunde Districts, the PRC until 31 December 2010
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Jiangkou Water Plant Co."	Foshan Shunde Jiangkou Water Plant Co., Ltd. (佛山市順德區江口自來水有限公司) which was incorporated in the PRC on 20 February 2003 as a limited liability company and an associate of Ms. YANG
"Jiangkou Water Supply Supplemental Agreement"	the supplemental agreement dated 17 December 2010 entered into between Shunde Country Garden Co. and Jiangkou Water Plant Co. pursuant to which the Existing Jiangkou Water Supply Agreement shall be further extended for a term of 3 years commencing on 1 January 2011
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Ms. YANG"	Ms. YANG Huiyan, a Director and the ultimate controlling shareholder of the Company
"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
"Shunde Country Garden Co."	Foshan Shunde Country Garden Property Development Co., Ltd. (佛山市順德區碧桂園物業發展有限公司), a wholly owned subsidiary of the Company which was incorporated in the PRC on 2 April 1997 as a limited liability company and was converted into a wholly foreign owned enterprise on 21 June 2006
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"substantial shareholder" has the meaning ascribed to it under the Listing Rules

"% " 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
Mo Bin
President and Executive Director

Foshan, Guangdong Province, PRC
17 December 2010

As of the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung (Chairman), Mr. MO Bin, 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. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald.