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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)**

### **INVITATION TO TENDER FOR PURCHASE OF CONVERTIBLE BONDS AND PROPOSED ISSUE OF SENIOR NOTES**

#### **INVITATION TO TENDER FOR PURCHASE OF CONVERTIBLE BONDS**

The Company intends to invite holders of the Convertible Bonds to tender an aggregate principal amount of its outstanding RMB4,314,000,000 US dollar settled 2.5% Convertible Bonds due 2013 (ISIN:XS0347451022; Common Code: 034745102) to the Company for purchase for cash in an amount to be determined by the Company at its sole discretion up to the Maximum Aggregate Purchase Amount.

The Company has made available today to the holders of the Convertible Bonds the Tender Offer Memorandum setting out, inter alia, the terms and conditions of the Invitation to Tender. The Invitation to Tender is being made on the terms and subject to the conditions contained in the Tender Offer Memorandum, including, without limitation, satisfaction or waiver by the Company of the Financing Condition by no later than 8:00 a.m. (Singapore time) on 23 April 2010 (subject to the right of the Company to extend or amend such date). The purchase by the Company of any Convertible Bonds validly tendered pursuant to the Invitation to Tender is subject to and conditional upon, inter alia, the successful completion of the Notes Issue (but such condition may be waived by the Company in its sole discretion) and any purchases of Convertible Bonds by the Company pursuant to the Invitation to Tender will be financed with the proceeds from the Notes Issue.

The Invitation to Tender is being made as part of the Company's commitment to actively manage its balance sheet.

Goldman Sachs and J.P. Morgan are acting as dealer managers and tender agents in relation to the Invitation to Tender.

## **PROPOSED ISSUE OF SENIOR NOTES**

Concurrent with the Invitation to Tender, as part of the financing, the Company proposes to conduct an international offering of senior notes with a seven-year maturity. In connection with such offering, the Company will provide certain institutional investors with an offering memorandum containing recent corporate and financial information regarding the Group, including updated risk factors and description of the projects undertaken by the Group, management's discussion and analysis, related party transactions and indebtedness information, which information may not have previously been made public. An extract of such recent information can be viewed on the Company's website [www.countrygarden.com.cn](http://www.countrygarden.com.cn) at approximately the same time when such information is released to the institutional investors.

The Company believes that the proposed Notes Issue reflects its proactive approach to liability management. The Company believes that the proposed Notes Issue and Invitation to Tender, if successfully completed, would extend the Company's average debt maturity profile and help the Company maintain its strong liquidity position.

The completion of the Notes Issue is subject to market conditions and investor interest. If the Notes are issued, the Company intends to use the proceeds of the proposed Notes Issue to refinance the outstanding Convertible Bonds.

The pricing of the proposed Notes Issue, including the aggregate principal amount, will be determined through a book building exercise conducted by Goldman Sachs and J.P. Morgan as the joint bookrunners and joint lead managers.

An 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 or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement.

**As no binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement, the proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.**

# INVITATION TO TENDER FOR PURCHASE OF CONVERTIBLE BONDS

## Background

In February 2008, the Company issued an aggregate of RMB4,314,000,000 US dollar settled 2.5% Convertible Bonds due 2013 (ISIN: XS0347451022; Common Code: 034745102), which are convertible into ordinary shares of the Company. As at the date hereof, the aggregate principal amount of outstanding Convertible Bonds is RMB4,314,000,000. The Convertible Bonds are listed on the SGX-ST.

## Invitation to Tender

The Company intends to invite holders of the Convertible Bonds to tender an aggregate principal amount of its outstanding Convertible Bonds to the Company for purchase for cash in an amount to be determined by the Company at its sole discretion up to the Maximum Aggregate Purchase Amount. The Company has made available today to the holders of the Convertible Bonds the Tender Offer Memorandum setting out, inter alia, the terms and conditions of the Invitation to Tender. The Invitation to Tender is being made on the terms and subject to the conditions contained in the Tender Offer Memorandum, including, without limitation, satisfaction or waiver by the Company of the Financing Condition by no later than 8:00 a.m. (Singapore time) on 23 April 2010 (subject to the right of the Company to extend or amend such date). The purchase by the Company of any Convertible Bonds validly tendered pursuant to the Invitation to Tender is subject to and conditional upon, inter alia, the successful completion of the Notes Issue (but such condition may be waived by the Company in its sole discretion) and any purchases of Convertible Bonds by the Company pursuant to the Invitation to Tender will be financed with the proceeds from the Notes Issue.

The Invitation to Tender is being made as part of the Company's commitment to actively manage its balance sheet.

The Invitation to Tender will commence at 1:30 p.m. (Singapore time) on 7 April 2010 and expire at 11:00 p.m. (Singapore time) on 13 April 2010, unless extended, re-opened or earlier terminated as provided in the Tender Offer Memorandum. The Company may, in its sole discretion, waive, amend (subject as provided in the Tender Offer Memorandum), extend, terminate or withdraw the Invitation to Tender.

If the aggregate principal amount in respect of all the Tendered Bonds is equal to or less than the Maximum Aggregate Purchase Amount, then all Tendered Bonds shall be accepted for purchase by the Company, subject to and conditioned upon the satisfaction or waiver by the Company of the Financing Condition.

If the aggregate principal amount in respect of all Tendered Bonds is greater than the Maximum Aggregate Purchase Amount, then Tendered Bonds shall be accepted for purchase by the Company on a pro rata basis, as further set out in the Tender Offer Memorandum.

Notwithstanding any other provision of the Invitation to Tender, the Company will not accept for purchase or pay for any Convertible Bonds validly tendered and not validly withdrawn pursuant to the Invitation to Tender if the Company has not received, in immediately available cleared funds, on or before 8:00 a.m. (Singapore time) on 23 April 2010 (subject to the right of the Company to extend or amend such date) the proceeds of the Notes Issue in an aggregate amount sufficient to fund the payment of the Gross Purchase Amount (as defined in the Tender Offer Memorandum) together with all expenses related thereto.

It is currently envisaged that the Company will make an announcement on 16 April 2010 stating the US dollar equivalent of the aggregate cash amount payable by the Company based on the aggregate principal amount of the Convertible Bonds it will purchase on the Settlement Date, subject to and conditional upon satisfaction or waiver by the Company of the Financing Condition by no later than 8:00 a.m. (Singapore time) on 23 April 2010. Such announcement will also specify the Settlement Date for the Invitation to Tender, which is currently expected to be 27 April 2010 (subject to the right of the Company to extend, or amend such date), and the aggregate principal amount of the Convertible Bonds expected to remain outstanding following completion of the Invitation to Tender. On 23 April 2010, it is envisaged that the Company will make a further announcement on whether or not the Financial Condition has been satisfied or waived by the Company.

The Company also envisages making a further announcement on 28 April 2010 stating, inter alia, that settlement has taken place, the total consideration paid by the Company for the Convertible Bonds purchased by it pursuant to the Invitation to Tender and the aggregate principal amount of Convertible Bonds remaining outstanding following completion of the Invitation to Tender. After receipt of confirmation from the Registrar (as defined in the Tender Offer Memorandum) of cancellation of the repurchased Convertible Bonds, the Company will make an announcement confirming that such cancellation by the Registrar has taken place.

In connection with the Invitation to Tender, the Company has appointed Goldman Sachs and J.P. Morgan as the dealer managers and tender agents.

**The Invitation to Tender is not being made to, and any offers to tender Convertible Bonds pursuant to the Invitation to Tender will not be accepted from, or on behalf of, holders of the Convertible Bonds in any jurisdiction in which the marking of such Invitation to Tender would not be in compliance with the laws or regulations of such jurisdiction. In particular, U.S. persons and persons located or resident in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia (the United States) and any person located or resident in the Republic of Italy may not participate in the Invitation to Tender.**

## **THE PROPOSED NOTES ISSUE**

### **Introduction**

Concurrent with the Invitation to Tender, as part of the financing, the Company proposes to conduct an international offering of senior notes with a seven-year maturity. In connection with such offering, the Company will provide certain institutional investors with an offering memorandum

containing recent corporate and financial information regarding the Group, including updated risk factors and description of the projects undertaken by the Group, management's discussion and analysis, related party transactions and indebtedness information, which information has not previously been made public. An extract of such recent information can be viewed at the Company's website [www.countrygarden.com.cn](http://www.countrygarden.com.cn) at approximately the same time when such information is released to the institutional investors.

The pricing of the proposed Notes Issue, including the aggregate principal amount, will be determined through a book building exercise conducted by Goldman Sachs and J.P. Morgan as the joint bookrunners and joint lead managers. As at the date hereof, the amount, terms and conditions of the proposed Notes Issue are yet to be determined. Upon finalizing the terms of the Notes, Goldman Sachs, J.P. Morgan and the Company will enter into the Purchase Agreement. The Company will make a further announcement upon the execution of the Purchase Agreement.

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

### **Reason for the Notes Issue**

The Company believes that the proposed Notes Issue reflects our proactive approach to liability management. The Company believes that the proposed Notes Issue and Invitation to Tender, if successfully completed, would extend our average debt maturity profile and help us maintain our strong liquidity position. The proposed Notes Issue will further enhance the Company's international capital market profile and improve its ability to access the international debt capital markets to support the growth of the Company in the future.

### **Proposed use of proceeds**

The completion of the Notes Issue is subject to market conditions and investor interest. If the Notes are issued, the Company intends to apply the net proceeds from the proposed Notes Issue to refinance the outstanding Convertible Bonds.

### **Listing**

An 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 or the Notes. No listing of the Notes has been sought in Hong Kong. The Notes will not be designated for trading in the Financial Industry Regulatory Authority, Inc.'s PORTAL Market.

## **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 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.

## **GENERAL**

Forward-looking statements in this announcement, including those statements relating to the Invitation to Tender, such as the scheduled expiration date and the purchase of the Convertible Bonds, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Convertible Bonds; changes in the business and financial condition of the Company; changes in the debt markets in general; and the occurrence of events specified in the Invitation to Tender that would trigger a condition permitting termination or amendment of the Invitation to Tender.

## **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
“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
“Convertible Bonds”	the RMB4,314,000,000 in aggregate principal amount of US dollar settled 2.5% convertible bonds due 2013 issued by the Company bearing ISIN: XS0347451022 and Common Code: 034745102
“Directors”	the directors of the Company



“Financing Condition”	the condition to the acceptance by the Company for purchase of, and payment on the Settlement Date for, any Convertible Bonds validly tendered and not validly withdrawn pursuant to the Invitation to Tender, being that the Company has received, on or before 8:00 a.m. (Singapore time) on 23 April 2010 (subject to the right of the Company to extend or amend such date) and in immediately available cleared funds, the proceeds of the Notes Issue in an aggregate amount sufficient to fund the payment of the Gross Purchase Amount (as defined in the Tender Offer Memorandum) together with all expenses related thereto
“Group”	the Company and its subsidiaries
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Invitation to Tender”	the invitation by the Company to the holders of the Convertible Bonds to tender the Convertible Bonds for purchase by the Company for cash upon terms and conditions set forth in the Tender Offer Memorandum
“J.P. Morgan”	J.P. Morgan Securities Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Aggregate Purchase Amount”	the aggregate principal amount of the outstanding Convertible Bonds to be determined by the Company at its sole discretion, which will, in any event, be an amount in RMB not exceeding the net proceeds of the Notes Issue, assuming satisfaction or waiver of the Financing Condition
“Notes”	the senior notes to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Offer Price”	the final price at which the Notes will be sold
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement proposed to be entered into between the Company, Goldman Sachs and J.P. Morgan in relation to the Notes Issue pursuant to which Goldman Sachs and J.P. Morgan will act as the initial purchasers of the Notes

“RMB”	Renminbi yuan, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended
“Settlement Date”	27 April 2010 (subject to the right of the Company, in its sole discretion, to extend or amend such date)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer Memorandum”	a tender offer memorandum dated 7 April 2010 made available to the holders of the Convertible Bonds in connection with the Invitation to Tender
“Tendered Bonds”	Convertible Bonds validly tendered and not withdrawn pursuant to the Invitation to Tender
“US dollar”	United States 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, PRC  
7 April 2010

*As at the date of this announcement, the board of directors of the Company comprises twelve directors of which Yeung Kwok Keung (Chairman), Cui Jianbo, Yang Huiyan, Yang Erzhu, Su Rubo, Zhang Yaoyuan, Ou Xueming, Yang Zhicheng and Yang Yongchao are executive Directors and Lai Ming, Joseph, Shek Lai Him, Abraham and Tong Wui Tung, Ronald are independent non-executive Directors.*