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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)

DISCLOSEABLE TRANSACTION COOPERATION AGREEMENT RELATING TO A JOINT VENTURE FOR PROPERTY DEVELOPMENT

COOPERATION AGREEMENT

The Board is pleased to announce that Shunde Country Garden Co., a wholly owned subsidiary of the Company, entered into the Cooperation Agreement with the JV Partner for the establishment of the Project Company to engage in the development of the Project Site in Guangdong Province, the PRC proposed to be acquired by the Project Company.

Pursuant to the Cooperation Agreement:

- (a) Shunde Country Garden Co. and the JV Partner agreed to establish the Project Company with a registered capital of RMB100 million to be held as to 51% by Shunde Country Garden Co. and 49% by the JV Partner; and
- (b) the Project Company agreed to acquire the land use rights in respect of the Project Site from the Vendor, a wholly owned subsidiary of the JV Partner, for a cash consideration of RMB2.7 billion.

The Project Company will be principally engaged in the development of the Project Site for residential purposes.

LISTING RULES IMPLICATION

For the purposes of Chapter 14 of the Listing Rules, the Transactions constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

Upon formation of the Project Company, the Project Company will become an indirect non-wholly owned subsidiary of the Company and the JV Partner will be the substantial shareholder of the Project Company and therefore a connected person of the Company. The Vendor, being the wholly owned subsidiary of the JV Partner, will be regarded as a connected person of the Company and as such, the Acquisition will constitute a connected transaction for the Company under Rule 14A.13 of the Listing Rules. However, the Acquisition is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

COOPERATION AGREEMENT

Date of the Cooperation Agreement

6 January 2011

Parties

(A) Shunde Country Garden Co., a wholly owned subsidiary of the Company; and

(B) the JV Partner.

The JV Partner is a company incorporated in the PRC with limited liability and the principal business of the JV Group is property development in the PRC. To the best knowledge, information and belief of the Directors, having made reasonable enquiries, as at the date of the Cooperation Agreement, the JV Partner and its ultimate beneficial owners are Independent Third Parties.

Principal terms of the Cooperation Agreement

Formation of the Project Company

Under the Cooperation Agreement, Shunde Country Garden Co. and the JV Partner agreed to establish the Project Company to be held as to 51% by Shunde Country Garden Co. and 49% by the JV Partner. The Project Company will be principally engaged in the development of the Project Site for residential purposes.

The registered capital of the Project Company shall be RMB100 million. Each of Shunde Country Garden Co. and the JV Partner will be required to make capital contribution to the registered capital of the Project Company on a pro rata basis based on their respective equity interests in the Project Company. The amount of cash to be contributed by the Group will be generated from internal

resources. In addition to the registered capital, the total investment amount of the Project Company is intended to be funded by shareholders' loans and/or loans from banks.

The board of directors of the Project Company shall consist of five directors. Shunde Country Garden Co. is entitled to appoint three directors and the JV Partner is entitled to appoint two directors. Any profit or loss of the Project Company shall be shared or borne by Shunde Country Garden Co. and the JV Partner in proportion to their respective equity interests in the Project Company.

Upon formation, the Project Company will become an indirect non-wholly owned subsidiary of the Company. The financial results of the Project Company will be consolidated into the Group's financial statements.

Acquisition of the land use rights over the Project Company

Pursuant to the Cooperation Agreement, the Project Company agreed to acquire the land use rights in respect of the Project Site from the Vendor, a wholly owned subsidiary of the JV Partner, for a cash consideration of RMB2.7 billion to be settled by the Project Company to the Vendor by instalments. The consideration was arrived at after arm's length negotiation between the parties taking into account the prevailing land price in nearby area, the development potential and the estimated development costs of the Project Site.

Information on the Project Site

The Project Site consists of parcels of lands located in Qingcheng District, Qingyuan City, Guangdong Province, the PRC with a site area of approximately 1.2 million square meters. It is intended that the Project Site will be developed into residential properties.

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.

The Board believes that the development of the Project Site is expected to enhance the overall competence and continuous growth of the Group and to enhance the Group's profitability in the future. The Directors (including the independent non-executive Directors) consider that the Transactions have been made on normal commercial terms and that such terms are fair and reasonable so far as the Group and the Shareholders are concerned and that the Transactions are in the interest of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

For the purposes of Chapter 14 of the Listing Rules, the Transactions constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and are subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

Upon formation of the Project Company, the Project Company will become an indirect non-wholly owned subsidiary of the Company and the JV Partner will be the substantial shareholder of the Project Company and therefore a connected person of the Company. The Vendor, being the wholly owned subsidiary of the JV Partner, will be regarded as a connected person of the Company and as such, the Acquisition will constitute a connected transaction for the Company under Rule 14A.13 of the Listing Rules. However, the Acquisition is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

DEFINITIONS

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

“Acquisition”	acquisition of the land use rights over the Project Site by the Project Company from the Vendor pursuant to the Cooperation Agreement
“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
“Cooperation Agreement”	the cooperation agreement dated 6 January 2011 entered into between Shunde Country Garden Co. and the JV Partner in relation to, inter alia, the formation of the Project Company and the Acquisition
“Directors”	the directors of the Company
“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
“Independent Third Parties”	parties independent of the Group and its connected persons

“JV Group”	JV Partner and its subsidiaries
“JV Partner”	清遠新亞房地產開發有限公司, a company incorporated in the PRC with limited liability and an Independent Third Parties as at the date hereof
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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)
“Project Company”	the project company to be established and held by Shunde Country Garden Co. and the JV Partner as to 51% and 49% respectively which will take up the land use rights over the Project Site and develop the Project Site
“Project Site”	parcels of lands located in Qingcheng District, Qingyuan City, Guangdong Province, the PRC with a site area of approximately 1.2 million square meters
“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
“Transactions”	the formation of the Project Company and the Acquisition as contemplated under the Cooperation Agreement
“Vendor”	清遠新亞南山嶺旅遊開發有限公司, a company incorporated in the PRC with limited liability which is wholly owned by the JV Partner and an Independent Third Parties as at the date hereof
“%”	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
6 January 2011

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.