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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)

ANNOUNCEMENT

Zengcheng Country Garden Co., a wholly-owned subsidiary of the Company, has entered into the Cooperation Agreement with the Shanwei Partner for cooperation arrangements for the preliminary development of the Shanwei Land Site.

By entering into the Cooperation Agreement, the Group will be provided with a further source of income from property development related business.

This announcement is made pursuant to paragraph 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of Country Garden Holdings Company Limited (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) announces that Zengcheng Country Garden Property Development Co., Ltd. (“**Zengcheng Country Garden Co.**”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement with Shanwei Municipal Land Development and Reserve Centre (汕尾市土地開發儲備中心) (the “**Shanwei Partner**”), for an arrangement for the preliminary development of a land site at the Northeast Shore of Pingqing Lake of Dongchongpinhuan of Shanwei Municipality (汕尾市區東涌片環品清湖東北岸) with land area of approximately 3.0 million sq.m. (approximately 4,500 mou) (the “**Shanwei Land Site**”) for commercial and residential uses (the “**Cooperation Agreement**”). The Cooperation Agreement was entered into on 19 May, 2007 and, accordingly to its terms, came into effect on 29 May, 2007 because the last of its appendices was executed on that day.

The Shanwei Partner has been approved by the Shanwei Municipal People’s Government to, after the preliminary development of the Shanwei Land Site has been carried out, put the land use rights of the Shanwei Land Site on sale in stages by auction. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Shanwei Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Under the Cooperation Agreement, Zengcheng Country Garden Co. agreed to develop the Shanwei Land Site jointly with the Shanwei Partner by contributing an aggregate amount of approximately RMB1 billion for the funding of the preliminary development of the Shanwei Land Site. The funding by Zengcheng Country Garden Co. under the Cooperation Agreement will be provided by instalments according to the schedule of use of funds for the Shanwei Land Site. Such funding will be applied towards the costs for obtaining the Shanwei Land Site (including fees and taxes for the requisition formalities), for the removal and relocation compensation, as well as the land reclamation and clearance of the Shanwei Land Site to make it suitable for the development design and the construction of amenities and facilities in the Shanwei

Land Site to be carried out by Zengcheng Country Garden Co. The Shanwei Partner shall be responsible for the planning of the Shanwei Land Site for residential and commercial uses, obtaining approvals for requisition of the Shanwei Land Site, carrying out removal and relocation arrangements, land use rights formalities, and procuring the sale of the Shanwei Land Site through open auction at land transaction organisation.

According to the Cooperation Agreement, the schedule of the stages of auction of the Shanwei Land Site for sale will be as follows:

Approximate Area of the Shanwei Land Site	Date before which auction shall be carried out
696 mou	30 May, 2007
1,323 mou	15 December, 2007
1,612 mou	15 May, 2008
869 mou	15 December, 2008
Any remaining area	15 April, 2009

Zengcheng Country Garden Co. shall be entitled to the return of its investment amounts out of the proceeds arising from each stage of the auction sale of the Shanwei Land Site after development. Subsequent to the repayment to Zengcheng Country Garden Co. of its investment amount under the Cooperation Agreement, on the condition that the concluded sale price is higher than the contributed investment amount, the remaining proceeds from the auction sale shall be distributed between Zengcheng Country Garden Co. and the Shanwei Partner in proportions as agreed under the Cooperation Agreement. The Shanwei Partner shall procure the return to Zengcheng Country Garden Co. of its investment funds contributed plus interest if there is a delay of 90 days in the agreed schedule for auction for sale of the Shanwei Land Site. Based on the existing market conditions, the Directors consider that the possibility of no sale being concluded under the auction of the Shanwei Land Site is low.

The Company has obtained legal opinion from its PRC legal adviser that the arrangement under the Cooperation Agreement do not infringe the relevant PRC laws and regulations, and the terms of the Cooperation Agreement are legal and valid under the PRC laws.

By entering into the Cooperation Agreement, the Group will be provided with a further source of income from property development related business by participating in the obtaining of land reserve by local government authorities of the PRC. The Group intends to enter into similar cooperation arrangements in the future when suitable opportunities arise. The Board is of the view that the terms of the Cooperation Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole. The investment amounts to be provided by Zengcheng Country Garden Co. under the Cooperation Agreement will be funded out of working capital or internal resources of the Group.

By Order of the Board
Country Garden Holdings Company Limited
Yeung Kwok Keung
Chairman

Foshan, Guangdong, the PRC, 31 May, 2007

As of the date of this announcement, the executive Directors are Mr. Yeung Kwok Keung, 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 are Mr. Lai Ming, Joseph, Mr. Shek Lai Him, Abraham and Mr. Tong Wui Tung, Ronald.

Please also refer to the published version of this announcement in South China Morning Post.