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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND ISSUE OF ZERO COUPON SECURED GUARANTEED CONVERTIBLE BONDS BY SMART INSIGHT INTERNATIONAL LIMITED

Placing Agent and Sole Bookrunner



Placing and Subscription

On 16 January 2018 (after trading hours), the Vendor and the Company entered into the Placing and Subscription Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, 460,000,000 existing Shares at a price of HK\$17.13 per Share on behalf of the Vendor. The Placing Shares represent approximately 2.16% of the existing issued share capital of the Company and approximately 2.12% of the issued share capital of the Company as enlarged by the Subscription.

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or individual investors who are or will be third parties independent of and not connected with the Company or its connected persons or any person who are or will be acting in concert with the Vendor or parties acting in concert with it. The Placing is conditional on certain termination events upon the occurrence of which the Placing will not proceed to completion unless waived by the Placing Agent.

Pursuant to the Placing, the Vendor has conditionally agreed to subscribe at the Placing Price for the same number of new Shares as the Placing Shares that have been placed by the Placing Agent. The Subscription Shares represent approximately 2.16% of the existing issued share capital of the Company and approximately 2.12% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription is conditional upon:

- (1) completion of the Placing; and
- (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

Bonds Issue

On 16 January 2018 (after trading hours), the Issuer, the Company and the Sole Bookrunner entered into the Bonds Subscription Agreement pursuant to which the Sole Bookrunner agreed to subscribe for the Bonds to be issued by the Issuer in the aggregate principal amount of HK\$15,600 million. The Bonds may be converted into Shares at the initial conversion price of HK\$20.556 per Share. The Bonds are guaranteed by the Company, and will be jointly and severally guaranteed by the Subsidiary Guarantors. The Bonds will also have the benefit of certain security on the collateral.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$20.556 per Conversion Share, the Bonds will be convertible into 758,902,510 Shares, representing approximately 3.57% of the issued share capital of the Company as at the date of this announcement and approximately 3.44% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares, and approximately 3.37% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Subscription Shares.

Completion of the Bonds Issue is subject to the satisfaction or waiver (as the case may be) of the conditions to the Bonds Subscription Agreement, including, among others, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares.

General

The Placing and the Bonds Issue are concurrent, but not inter-conditional.

The Placing Shares and the Bonds will not be offered to the public in Hong Kong and it is not expected that any of the Placing Shares or Bonds will be placed to any connected persons of the Company.

The Placing Shares and the Bonds have not been and will not be registered under the U.S. Securities Act, and the Placing Shares will only be offered (i) within the United States in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with restrictions of, Rule 144A under the U.S. Securities Act or another exemption therefrom, and (ii) outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act. The Bonds will only be offered outside of the United States in compliance with Regulation S under the U.S. Securities Act.

Application will be made to SGX for the listing of, and permission to deal in, the Bonds.

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares.

As completion of the Placing and the Bonds Issue is subject to the satisfaction of the conditions precedent of the Placing and the Bonds Issue respectively, and may or may not materialise, Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

PLACING AND SUBSCRIPTION AGREEMENT

Date: 16 January 2018

Parties: (1) the Company;

(2) Concrete Win Limited as the vendor. As at the date of this announcement, the Vendor is interested in 9,386,446,010 Shares, representing approximately 44.11% of the existing issued share capital of the Company. The Vendor is wholly owned by Ms. Yang Huiyan, an executive Director; and

(3) Goldman Sachs (Asia) L.L.C. as the Placing Agent.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent is independent of and not connected with the Company or any of its connected persons.

PLACING

Number of Placing Shares

460,000,000 existing Shares, representing approximately 2.16% of the existing issued share capital of the Company and about 2.12% of the issued share capital as enlarged by the Subscription.

Placing Price

The Placing Price is HK\$17.13 per Share and represents:

- (i) a discount of approximately 3.66% to the closing price of HK\$17.78 per Share as quoted on the Stock Exchange on 16 January 2018, the date of the Placing and Subscription Agreement;
- (ii) a discount of approximately 0.75% to the closing price of HK\$17.26 per Share as quoted on the Stock Exchange on 15 January 2018, the last full trading day prior to the date of the Placing and Subscription Agreement; and
- (iii) a discount of approximately 4.62% to the average closing price of approximately HK\$17.96 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 15 January 2018.

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

The costs of the Placing and the Subscription shall be borne by the Company.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of the Placing and Subscription Agreement, including the right to receive all dividends or other distributions declared, made or paid on or after the date of the Placing and Subscription Agreement.

Independence of the Placing Agent and the Placees

It is expected that the Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or individual investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The Placing Agent and the placees to be procured by the Placing Agent are or will be (as the case may be) independent of the directors, chief executive or substantial shareholders of the Company or any of their respective associates.

Termination Events

The obligations of the Placing Agent to proceed to completion of the Placing is conditional upon, amongst other conditions, the requirement that none of the following shall have occurred prior to completion:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations which in the sole judgement of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Group as a whole;
 - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing;
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (iv) a general moratorium on commercial banking activities in Hong Kong, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the United Kingdom or the United States;
 - (v) a change or development involving a prospective change in taxation adversely affecting the Company, the Placing Shares or the transfer thereof;
 - (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the United Kingdom or the United States or the declaration by the People's Republic of China, the United Kingdom or the United States of a national emergency or war;
 - (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

- (b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor under the Placing and Subscription Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of the Vendor and/or the Company; or
- (c) there is any such adverse change, or development involving a prospective adverse change, in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the sole judgement of the Placing Agent is materially adverse to the success of the Placing.

In the event the Placing Agents terminates the Placing and Subscription Agreement, the obligations of parties under the agreement will cease and determine and no party will have any claim against any other party save for any antecedent breach. **Shareholders and investors are therefore advised to exercise caution when dealing in the securities of the Company.**

Completion of the Placing

The parties expect that the Placing will be completed on 19 January 2018 (or such other date as the parties may agree in writing) (the “**Closing Date**”).

Undertakings

The Vendor has undertaken to the Placing Agent that, except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement, for a period of 90 days from the Closing Date, it will not and will procure that none of its ultimate beneficial owners, nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) without the prior written consent of the Placing Agent (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

The Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that, during the period commencing on the date of the Placing and Subscription Agreement and ending on, and including, the date that is 90 days after the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (i) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association; (ii) the grant of options

under the share option schemes of the Company provided that the number of Shares issuable upon exercise of such options do not exceed 1.0% of the issued share capital of the Company; (iii) the allotment and issue of Shares upon exercise of the rights under the aforesaid options or (iv) the allotment and issue of Shares upon exercise of the rights under any other securities carrying rights to convert or subscribe or exchange for Shares granted by the Company which have been disclosed publicly on or prior to the date of the Placing and Subscription Agreement:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares;
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Placing Agent.

SUBSCRIPTION

Number of new Shares to be subscribed

460,000,000 new Shares to be subscribed by the Vendor, representing approximately 2.16% of the existing issued share capital of the Company and approximately 2.12% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The subscription price per new Share is equivalent to the Placing Price of HK\$17.13 per Share. The Subscription Shares have a nominal value of HK\$46,000,000 and a market value of HK\$8,178.8 million, based on the closing price of HK\$17.78 per Share on 16 January 2018, the date of the Placing and Subscription Agreement. The net price of the Subscription is HK\$16.99 per Share.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the General Mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the annual general meeting held on 18 May 2017. Pursuant to the General Mandate, the Directors were granted authority to issue up to 4,268,124,356 Shares, representing 20% of the total number of Shares of the Company in issue as at 18 May 2017. The Company has not issued any Shares pursuant to such general mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

- (1) completion of the Placing; and
- (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

None of the conditions stated above can be waived. In the event that the conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement (or such later date as may be agreed between the parties) the Subscription and all rights and obligations thereunder will cease and terminate.

Completion of the Subscription

Completion of the Subscription will take place on the second business day following the fulfillment of the above conditions or such other time as may be agreed between the Vendor and the Company. As the Subscription constitutes a connected transaction of the Company, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement i.e. 31 January 2018, shareholders' approval will be required for the Subscription and the relevant provisions of the Listing Rules in relation to connected transaction will apply, unless otherwise waived by the Stock Exchange. Further announcement will be made if this occurs.

BONDS SUBSCRIPTION AGREEMENT

Date: 16 January 2018

Parties: (1) the Issuer;
(2) the Company; and
(3) Goldman Sachs (Asia) L.L.C.

Subject to the fulfillment of the conditions set out below under the section headed "Conditions of the Bonds Subscription Agreement", the Sole Bookrunner as the initial subscriber has agreed to subscribe for the Bonds with an aggregate principal amount of HK\$15,600 million.

Based on an initial Conversion Price of HK\$20.556 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 758,902,510 Shares, representing approximately 3.57% of the existing issued share capital of the Company and approximately 3.44% of the issued share capital of the Company as enlarged by the full conversion of the Bonds, and approximately 3.37% of the issued share capital as enlarged by the issue of the Conversion Shares and the Subscription Shares.

Conditions to the Bonds Subscription Agreement

Completion is subject to fulfillment of the following conditions:

- (1) **Due Diligence:** the Sole Bookrunner being satisfied with the results of its due diligence investigations with respect to the Issuer, the Company, the Subsidiary Guarantors and its respective subsidiaries, and the offering circular shall have been prepared in form and content satisfactory to the Sole Bookrunner;
- (2) **Contracts:** the execution and delivery of the Trust Deed, the agency agreement, the intercreditor agreement and the security documents, each in a form reasonably satisfactory to the Sole Bookrunner, by the respective parties;
- (3) **Lock-up:** the Vendor, Genesis Capital Global Limited and Golden Value Investments Limited shall have executed lock-up agreement(s) on or before the Bonds Closing Date in the form set out in the Bonds Subscription Agreement;
- (4) **Listing:** the SGX shall have agreed to list the Bonds and the Stock Exchange shall have agreed to list the Conversion Shares upon conversion of the Bonds (or, in each case, the Sole Bookrunner being satisfied that such listing will be granted);
- (5) **Comfort Letters:** upon the publication date (the “**Publication Date**”) of the offering circular (the “**Circular**”) in relation to the Bonds and on the Bonds Closing Date, there shall have been delivered to the Sole Bookrunner comfort letters and a certificate of no default, dated as the case may be the Publication Date and the Bonds Closing Date, in each case addressed to the Sole Bookrunner, from: (i) PricewaterhouseCoopers, Certified Public Accountants to the Issuer, in a form reasonably satisfactory to the Sole Bookrunner; and (ii) an executive director and the Chief Financial Officer of each of the Issuer and the Company, in the form set forth in Bonds Subscription Agreement;
- (6) **Legal Opinions:** on or prior to the Bonds Closing Date, there shall have been delivered to the Sole Bookrunner, each in a form reasonably satisfactory to the Sole Bookrunner, certain legal opinions on the laws of various jurisdictions (including but not limited to Hong Kong law, PRC law, US law and English law), dated the Bonds Closing Date;

- (7) **Compliance:** at the Bonds Closing Date (i) the representations and warranties of the Issuer and the Company in the Bonds Subscription Agreement shall be true, accurate and correct in all respects at, and as if made on such date; (ii) the Issuer, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors shall have performed all of its obligations under the Bonds Subscription Agreement expressed to be performed on or before such date; and (iii) there shall have been delivered to the Sole Bookrunner a certificate, dated as of such date, of a duly authorised officer of the Issuer and the Company to such effect;
- (8) **Other consents:** on or prior to the Bonds Closing Date there shall have been delivered to the Sole Bookrunner copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Issuer's, the Company's, the Subsidiary Guarantors' and the Subsidiary Guarantor Pledgors' obligations under each contract and the Bonds (including the consents and approvals required from all lenders);
- (9) **Indenture:** the indenture being validly executed by the parties thereto and in a form reasonably satisfactory to the Sole Bookrunner; and
- (10) **Material Adverse Change:** after the date of the Bonds Subscription Agreement or, if earlier, the dates as of which information is given in the offering circular up to and at the Bonds Closing Date there shall not have occurred any change (nor any development or event involving a prospective change), in the condition (financial or other), prospects, results of operations or general affairs of the Issuer, the Company or of the Group, which, in the opinion of the Sole Bookrunner, is material and adverse in the context of the issue and offering of the Bonds.

The Sole Bookrunner may, at its discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (except that condition (4) cannot be waived).

Lock-up Undertaking

Each of Concrete Win Limited, Genesis Capital Global Limited and Golden Value Investments Limited, being the shareholders of the Company, has undertaken with the Sole Bookrunner that for a period from the date of the Bonds Subscription Agreement up to 90 days after the Bonds Closing Date, neither it nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, without the prior written consent of the Sole Bookrunner (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any Interest in, any Shares or securities of the same class as the Bonds or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as them; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares; (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing.

Termination

The Sole Bookrunner may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Bonds Subscription Agreement in any of the following circumstances:

- (1) if there shall have come to the notice of the Sole Bookrunner any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Bonds Subscription Agreement or any failure to perform any of the Issuer's or the Company's undertakings or agreements in the Bonds Subscription Agreement;
- (2) if any of the conditions precedent to the Bonds Subscription Agreement has not been satisfied or waived by the Sole Bookrunner;
- (3) if in the opinion of the Sole Bookrunner, there shall have been any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls as such would in the Sole Bookrunner's view, be likely to prejudice materially the success of the offering or the distribution of the Bonds or dealings in the Bonds in the secondary market;
- (4) if there shall have occurred a general moratorium on commercial banking activities in the PRC or the United Kingdom or United States or Hong Kong by any PRC, United Kingdom, New York State, United States Federal or Hong Kong authorities which would in the Sole Bookrunner's view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (5) if, in the opinion of the Sole Bookrunner, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic which would in the Sole Bookrunner's view be likely to prejudice materially the success of the Offering or the distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (6) if, in the opinion of the Sole Bookrunner, on or after the date hereof there shall have occurred either of the following events: (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc, or the Stock Exchange and/or any other stock exchange on which Company's securities are traded; (ii) a suspension in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which Company's securities are traded; or (iii) a change or development involving a prospective change in taxation affecting the Issuer, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors, the Bonds, the Guarantees, the security and the Conversion Shares to be issued upon conversion of the Bonds or the transfer thereof.

Principal terms of the Bonds

The principal terms of the Bonds are summarised below:

Issuer	Smart Insight International Limited
Principal amount of the Bonds	HK\$15,600 million
Issue price	100% of the principal amount of the Bonds
Interest	The Bonds do not bear interest unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, such unpaid principal shall bear interest at the rate of 3.00% per cent. per annum
Guarantees and security	The Company has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Bonds are also jointly and severally guaranteed by the initial Subsidiary Guarantors and will have the benefit of the collateral granted by the Company and the Subsidiary Guarantor Pledgors.
Conversion Period	Bondholder(s) may exercise conversion rights at any time on or after 11 March 2018 up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the day falling the tenth business day prior to the Maturity Date or if such Bond shall have been called for redemption before the Maturity Date, then up to the close of business on the 7th business day prior to the date of redemption or if notice requiring redemption has been given by the holder of such Bond, then up to the close of business on the business day prior to the giving of such notice.
Conversion Price	<p>The initial Conversion Price is HK\$20.556 per Share, which represents</p> <ul style="list-style-type: none">(i) a premium of 15.61% to the closing price of HK\$17.78 per Share as quote on the Stock Exchange on the date of the Bonds Subscription Agreement.(ii) a premium of 14.45% to the average closing price of approximately HK\$17.96 per Share for the last 5 consecutive trading days up to and including 15 January 2018, the last trading date before the date Bonds Subscription Agreement; and

(iii) a premium of 20.14% to the average closing price of HK\$17.11 per Share for the last 10 consecutive trading days up to and including 15 January 2018, the last trading day before the date of the Bonds Subscription Agreement.

The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events namely, consolidation, subdivision or reclassification of shares, capitalization of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities, and issues at less than current market price. The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would be issued at a discount to their par value.

Ranking of Shares

The Conversion Shares will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.

Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in the terms and condition of the Bonds, the Company will redeem each Bond at an amount equal to 100.75% of the principal amount multiplied on the Maturity Date.

Redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' prior notice to the Bondholders and the trustee and the principal paying, conversion and agent (which notice will be irrevocable) in accordance with terms and conditions of the Bonds, if (i) the Issuer (or if the guarantees were called, the Company or any Subsidiary Guarantor) has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of a payment by the Issuer) or the Cayman Islands or Hong Kong (in the case of a payment by the Company), the relevant jurisdiction of incorporation of each relevant Subsidiary Guarantor (in the case of a payment by any Subsidiary Guarantor) or, in each case, the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 16 January 2018,

and (ii) such obligation cannot be avoided by the Issuer (or the Company or the relevant Subsidiary Guarantor, as the case may be) taking reasonable measures available to it, provided that no tax redemption notice will be given earlier than 90 days prior to the earliest date on which the Issuer (or the Company or the relevant Subsidiary Guarantor, as the case may be) would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption at option of the Issuer On giving not less than 30 or more than 60 days' notice to the Bondholders and the trustee and the principal paying, conversion and agent (which notice will be irrevocable), the Issuer may, redeem all and not some only of the Bonds for the time being outstanding at the Early Redemption Amount on the redemption date if at least 90% in principal amount of the Bonds originally issued have already been converted, redeemed or purchased and cancelled.

Redemption for delisting and change of control

Following the occurrence of any of the following events:

- (i) when the Shares cease to be listed or admitted to trading, or are suspended for a period equal to or exceeding 15 consecutive trading days, on the Stock Exchange or, if applicable, an alternative securities exchange; or
- (ii) when there is a change of control in the Company,

the holder of each Bond will have the right by notice given to the Issuer not later than 30 days following any such event, or if later, 30 days following the giving of notice by the Company to the Bondholders of such event to require the Company to redeem all or some of such holder's Bonds on the 14th day following the expiry of such 30-day period of their Early Redemption Amount, together with accrued but unpaid interest to the date of redemption.

Voting rights

Before conversion of the Bonds, Bondholders will not have any right to attend or vote in any general meeting of the Company by virtue of their being Bondholders.

Transferability:

The Bonds are freely transferable subject to conditions.

Status:

The Bonds constitute direct, unsubordinated, unconditional and secured obligations of the Issuer and will at all times rank pari passu and without any preference or priority among themselves.

Application for listing

Application will be made to SGX for the listing of, and permission to deal in, the Bonds.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Conversion Shares.

No Shareholders' approval is required for the allotment and issue of the new Shares that may fall to be issued upon the conversion of the Bonds. The new Shares that may fall to be issued upon the conversion of the Bonds will be issued under the General Mandate.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

The shareholding structure of the Company before and after the Placing and the Subscription, and the full conversion of the Conversion Shares will be as follows:

Shareholders	Current		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription		Immediately after completion of the Placing and the Subscription and the full conversion of the Bonds	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Vendor and its associates (<i>Note</i>)	12,327,774,943	57.93	11,867,774,943	55.77	12,327,774,943	56.71	12,327,774,943	54.79
Placees	—	—	460,000,000	2.16	460,000,000	2.12	460,000,000	2.04
Bondholders	—	—	—	—	—	—	758,902,510	3.37
Other Shareholders	8,952,113,839	42.07	8,952,113,839	42.07	8,952,113,839	41.18	8,952,113,839	39.79
Total	<u>21,279,888,782</u>	<u>100.00</u>	<u>21,279,888,782</u>	<u>100.00</u>	<u>21,739,888,782</u>	<u>100.00</u>	<u>22,498,791,292</u>	<u>100.00</u>

Note: The Vendor is wholly owned by Ms. Yang Huiyan, who through two other wholly owned companies, Genesis Capital Global Limited and Golden Value Investments Limited, are interested in an aggregate of 12,327,774,943 Shares, representing approximately 57.93% of the total issued share capital of the Company as at the date of this announcement.

REASON FOR THE PLACING AND THE BONDS ISSUE

The Placing and Bonds Issue are being undertaken to supplement the Group's long term funding of its expansion and growth plan. The Directors consider the Placing and the Bonds Issue will provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

USE OF PROCEEDS

The estimated net proceeds from the Placing and the Bonds Issue is approximately HK\$7,816.2 million and HK\$15,490.8 million, respectively. The Company intends to apply the net proceeds for the repayment of debts of the Group and/or as general working capital purpose.

CAPITAL-RAISING ACTIVITIES DURING PAST 12 MONTHS

The Company has not carried out any equity capital raising activities during the 12 months immediately preceding the date of this announcement.

INFORMATION ABOUT THE GROUP

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 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 the suburban areas of first-tier cities, and in the newly urbanised town centres of second- and third-tier cities in the PRC. The Group has expanded its operations into Malaysia and Australia in December 2011 and October 2013, respectively, and started construction of its first project in Indonesia during the first quarter of 2017.

GENERAL

The Placing and the Bonds Issue are concurrent, but not inter-conditional.

The Placing Shares and the Bonds will not be offered to the public in Hong Kong and it is not expected that any of the Placing Shares or Bonds will be placed to any connected persons of the Company.

The Placing Shares and the Bonds have not been and will not be registered under the U.S. Securities Act, and the Placing Shares will only be offered (i) within the United States in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with restrictions of, Rule 144A under the U.S. Securities Act or another exemption therefrom, and (ii) outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act. The Bonds will only be offered outside of the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act.

As completion of the Placing and the Bonds Issue is subject to the satisfaction of the conditions precedent of the Placing and the Bonds Issue respectively, and may or may not materialise, Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors;
“Bonds”	the zero coupon secured guaranteed convertible bonds due 2019 in the principal amount of HK\$15,600 million to be issued by the Issuer;
“Bondholders”	holders of the Bonds;
“Bonds Closing Date”	the closing date for the Bonds Issue, which is 30 January 2018 or such later date, not being later than 13 February 2018, as the Issuer, the Company and the Sole Bookrunner may agree;
“Bonds Issue”	the issue of the Bonds by the Issuer;
“Bonds Subscription Agreement”	the agreement dated 16 January 2018 entered into between the Issuer, the Company and the Placing Agent in relation to the Bonds Issue;
“Company”	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 2007);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Conversion Price”	HK\$20.556 per Share subject to adjustment in the manner provided in the terms and conditions of the Bonds;
“Conversion Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds;
“Directors”	the directors of the Company;
“Early Redemption Amount”	in respect of each HK\$2,000,000 in principal amount of Bonds shall mean the amount which is determined to be the amount which represents for the Bondholder on the relevant date for determination of the Early Redemption Amount (the “ Determination Date ”) a gross yield to maturity of 0.75 per cent. per annum as determined and calculated in accordance with the following formula, rounded (if necessary) to two decimal places, with 0.005 being rounded upwards:

Early Redemption Amount = (Previous Early Redemption Amount $\times (1+r/2)^{d/p}$)

Where:

Previous Early Redemption Amount = if the Bonds are to be redeemed on or before 30 July 2018, HK\$2,000,000, or if the Bonds are to be redeemed after 30 July 2018, HK\$2,007,500

$r = 0.75$ per cent. expressed as a fraction;

d = the number of days from and including 30 July 2018 (or, if the Determination Date is on or before 30 July 2018, from and including the Issue Date) to, but excluding the Determination Date, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed; and

$p = 180$.

“General Mandate”	the general authority granted by the Shareholders to the Directors at the annual general meeting of the Company held on 18 May 2017 to issue up to 4,268,124,356 Shares, representing 20% of the total number of Shares of the Company in issue as at 18 May 2017;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administration Region of the PRC;
“Issuer”	Smart Insight International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	27 January 2019;
“Placing”	the placement of the Placing Shares to independent investors at the Placing Price;
“Placing Agent”	Goldman Sachs (Asia) L.L.C.;

“Placing and Subscription Agreement”	the agreement to be entered into between the Company and the Placing Agent in relation to the Proposed Placing and Subscription;
“Placing Price”	HK\$17.13 per Share;
“Placing Shares”	the Shares to be placed by the Placing Agent pursuant to the Placing;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Sole Bookrunner”	Goldman Sachs (Asia) L.L.C.;
“SGX”	Singapore Exchange Securities Trading Limited;
“Shares”	ordinary shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendor;
“Subscription Price”	HK\$17.13 per Share;
“Subscription Shares”	460,000,000 Shares;
“Subsidiary Guarantor Pledgors”	certain subsidiaries of the Company that on the issue date of the Bonds will provide pledges over their stock in certain subsidiaries of the Company held by them to secure the obligations of the Issuer under the Bonds;
“Subsidiary Guarantors”	certain existing subsidiaries of the Company which guarantee the Bonds;
“Trust Deed”	a trust deed (as amended or supplemented from time to time) constituting the Bonds between the Issuer, Company, the Subsidiary Guarantors and the trustee and security trustee for the holders of the Bonds;

“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“Vendor”	Concrete Win Limited, a company incorporated in the British Virgin Islands, the seller of the Placing Shares; and
“%”	per cent

By order of the board of directors
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Foshan, Guangdong Province, the PRC, 17 January 2018

As of the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Vice Chairman), Mr. MO Bin (President), Ms. YANG Ziyang, Mr. YANG Zhicheng, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan. The non-executive director of the Company is Mr. CHEN Chong. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan, Mr. MEI Wenjue and Mr. YEUNG Kwok On.