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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)

**ISSUE OF US\$425,000,000 7.125% SENIOR NOTES DUE 2022
AND US\$550,000,000 8.000% SENIOR NOTES DUE 2024
CONNECTED TRANSACTION
PURCHASE OF NOTES BY A CONNECTED PERSON OF
THE COMPANY**

THE NOTES ISSUE

Reference is made to the announcement of the Company dated 19 September 2018 in relation to the proposed Notes Issue.

On 19 September 2018, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue in the aggregate of:

- (a) US\$425,000,000 7.125% of the January 2022 Notes; and
- (b) US\$550,000,000 8.000% of the January 2024 Notes.

The Company intends to use the net proceeds of the Notes Issue which will amount to approximately US\$964.6 million, mainly for refinancing existing offshore indebtedness.

Applications have been made for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this announcement. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees.

PURCHASE OF NOTES BY A CONNECTED PERSON

Pursuant to the Notes Issue, Fine Nation has purchased the January 2024 Notes in an aggregate amount of US\$60,000,000.

Fine Nation Group Limited is directly wholly-owned by Mr. YEUNG Kwok Keung, the chairman and executive director of the Company. Fine Nation is hence an associate of Mr. YEUNG Kwok Keung and thus a connected person of the Company. Accordingly, the purchase of the Notes by Fine Nation constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the purchase are more than 0.1% but are below 5%, the purchase is subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 19 September 2018 in relation to the proposed Notes Issue.

The Board is pleased to announce that on 19 September 2018, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

THE NOTES ISSUE

The Purchase Agreement

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors who will guarantee the Company's obligations under the Notes;
- (c) the Subsidiary Guarantor Pledgors who will pledge the capital stock of other Subsidiary Guarantors held by them to secure the obligations under their respective Subsidiary Guarantees; and
- (d) the Initial Purchasers.

Goldman Sachs and J.P. Morgan are the joint global coordinators, and together with BNP PARIBAS and HSBC, the joint lead managers and joint bookrunners of the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of BNP PARIBAS, Goldman Sachs, HSBC and J.P. Morgan is an independent third party and not a connected person of the Company and its connected persons.

The Notes have not been and will not be registered under the U.S. Securities Act. The Notes will only be offered outside of the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act. The Notes will not be offered to the public in Hong Kong.

No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA.

Principal terms of the Notes

Offering Price

The offering price of each series of the Notes is set out as follows:

- (a) 100% of the principal amount with respect to the January 2022 Notes; and
- (b) 100% of the principal amount with respect to the January 2024 Notes.

Interest and Interest Payment Dates

The January 2022 Notes will bear interest from and including 27 September 2018 at the rate of 7.125% per annum, payable semi-annually in arrears on 27 March and 27 September of each year, beginning on 27 March 2019. The January 2024 Notes will bear interest from and including 27 September 2018 at the rate of 8.000% per annum, payable semi-annually in arrears on 27 March and 27 September of each year, beginning on 27 March 2019.

The Notes are general obligations of the Company and guaranteed by the Subsidiary Guarantors on a senior basis. The Notes are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes and rank at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law). The Notes are also effectively subordinated to (i) the other secured obligations of the Company and the Subsidiary Guarantors, to the extent of the value of the assets (other than the collateral created under the Notes) serving as a security therefor; and (ii) all existing and future obligations of the subsidiaries of the Company other than the Subsidiary Guarantors.

Covenants

The Notes, the Indentures and the guarantees to be provided by the Subsidiary Guarantors will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of restricted subsidiaries;
- (e) guarantee indebtedness of restricted subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Events of default

The events of default under the Notes include, among other things:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;

- (iii) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indentures, or the failure by the Company to create, or cause its restricted subsidiaries to create, a first priority lien on the collateral (subject to any permitted liens and the intercreditor agreement) under the Indentures;
- (iv) defaults in the performance or breach of any covenant or agreement in the Indentures or under the Notes (other than a default specified in (i), (ii) or (iii) above);
- (v) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$20,000,000 or more in the aggregate for all such indebtedness: (a) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (vi) one or more final judgments or orders for the payment of money are rendered against the Company or any of its restricted subsidiaries and are not paid or discharged;
- (vii) involuntary bankruptcy or insolvency proceedings commenced against the Company or any significant restricted subsidiary;
- (viii) voluntary bankruptcy or insolvency proceedings commenced by the Company or any significant restricted subsidiary;
- (ix) any Subsidiary Guarantor denying or disaffirming its obligations under its guarantee securing the obligations of the Notes or, except as permitted by the Indentures, any such guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;
- (x) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under such relevant security documents or the Indentures, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral or which adversely affects the condition or value of the collateral, taken as a whole, in any material respect; and
- (xi) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under any relevant security document or, other than in accordance with the Indentures and such relevant security documents, any such relevant security document ceasing to be or is not in full force and effect or the intercreditor/collateral agent or the trustee, as the case may be, ceasing to have a first priority security interest in the collateral given under the Notes (subject to any permitted liens and the intercreditor agreement).

Optional Redemption

January 2022 Notes

At any time and from time to time on or after 27 September 2020, the Company may redeem the January 2022 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed beginning on 27 September 2020 as indicated below:

| Period | Redemption price |
|---------------------|-------------------------|
| 2020 and thereafter | 103.56250% |

At any time prior to 27 September 2020, the Company may at its option redeem the January 2022 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2022 Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 27 September 2020, the Company may redeem up to 35% of the aggregate principal amount of the January 2022 Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 107.125% of the principal amount of the January 2022 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the January 2022 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

January 2024 Notes

At any time and from time to time on or after 27 September 2021, the Company may redeem the January 2024 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed during the twelve months period beginning on 27 September of each of the years indicated below:

| Period | Redemption price |
|---------------------|-------------------------|
| 2021 | 104.00000% |
| 2022 and thereafter | 102.00000% |

At any time prior to 27 September 2021, the Company may at its option redeem the January 2024 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2024 Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 27 September 2021, the Company may redeem up to 35% of the aggregate principal amount of the January 2024 Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 108.000% of the principal amount of the January 2024 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the January 2024 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

Proposed use of proceeds

The Company intends to use the net proceeds of the Notes Issue which will amount to approximately US\$964.6 million, mainly for refinancing existing offshore indebtedness.

Listing

Applications have been made for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this announcement. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees.

PURCHASE OF NOTES BY A CONNECTED PERSON

Pursuant to the Notes Issue, Fine Nation has purchased the January 2024 Notes in an aggregate amount of US\$60,000,000.

Fine Nation Group Limited is principally engaged in investment holding and is directly wholly-owned by Mr. YEUNG Kwok Keung, the chairman and executive director of the Company. Fine Nation is hence an associate of Mr. YEUNG Kwok Keung and therefore a connected person of the Company. The purchase of the Notes by Fine Nation constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

The subscription price of the Notes payable by Fine Nation is 100% of the principal amount of the Notes and is the same as the subscription price payable by the other investors in the Notes Issue.

The purchase is being undertaken by Fine Nation as part of the Notes Issue and will enable the Company to raise fund. As the terms of the purchase are the same as other investors in the Notes Issue, the Directors (including the independent non-executive Directors) are of the view that the purchase is being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the purchase are more than 0.1% but are below 5%, the purchase is subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since (i) Mr. YEUNG Kwok Keung is the chairman and executive director of the Company and (ii) Ms. YANG Huiyan, Ms. YANG Ziyang, Mr. YANG Zhicheng and Mr. CHEN Chong are associates of Mr. YEUNG Kwok Keung, each of such Directors is considered to be interested in the purchase and has abstained from voting on the resolutions at the Board meeting to approve the purchase thereunder to avoid any conflict of interests.

ABOUT COUNTRY GARDEN

The Group is PRC's leading largest residential property developer focusing on urbanization. The Group runs a centralized and standardized business model that comprises property development, construction, decoration, property investment, as well as hotel development and management. Country Garden offers a broad range of products to cater for diverse market demands. Its various products include residential projects such as townhouses, condos, as well as car-parks and retail shops. The Group also develops and manages hotels within some of its projects to enhance the potential for property value appreciation. The Group operates independent hotels as well.

DEFINITIONS

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

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| “associate” | has the meaning ascribed to it under the Listing Rules |
| “BNP PARIBAS” | BNP Paribas |
| “Board” | the board of Directors |
| “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 |
| “Directors” | the directors of the Company |

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| “EEA” | European Economic Area |
| “Fine Nation” | Fine Nation Group Limited, a company incorporated with limited liability in the British Virgin Islands and a directly wholly-owned company of Mr. YEUNG Kwok Keung, the chairman and executive director of the Company |
| “Goldman Sachs” | Goldman Sachs (Asia) L.L.C. |
| “Group” or “Country Garden” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HSBC” | The Hongkong and Shanghai Banking Corporation Limited |
| “Indentures” | the indentures to govern each of the Notes |
| “Initial Purchasers” | BNP PARIBAS, Goldman Sachs, HSBC and J.P. Morgan |
| “January 2022 Notes” | the US\$425,000,000 senior notes due 2022 to be issued by the Company |
| “January 2024 Notes” | the US\$550,000,000 senior notes due 2024 to be issued by the Company |
| “J.P. Morgan” | J.P. Morgan Securities plc |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Notes” | the January 2022 Notes and the January 2024 Notes |
| “Notes Issue” | the issue of the Notes by the Company |
| “PRC” | the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement |
| “PRIIPs” | Packaged retail and insurance-based investment products (2002/92/EC) |
| “Purchase Agreement” | the agreement dated 19 September 2018 entered into between, among others, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers in relation to the Notes Issue |

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| “SGX-ST” | Singapore Exchange Securities Trading Limited |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary Guarantee(s)” | guarantee(s) to be provided by the Subsidiary Guarantors |
| “Subsidiary Guarantor(s)” | certain existing subsidiaries of the Group providing guarantees for the Notes |
| “Subsidiary Guarantor Pledgors” | each a Subsidiary Guarantor that will pledge the capital stock of other Subsidiary Guarantors held by it to secure the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee |
| “US\$” | United States dollar, the lawful currency of the United States of America |
| “U.S. Securities Act” | the United States Securities Act of 1933, as amended |
| “%” | per cent. |

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

Foshan, Guangdong Province, the PRC, 20 September 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. 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 and Mr. YEUNG Kwok On.