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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)**

# **PROPOSED PARTIAL REPURCHASE OF ZERO COUPON SECURED GUARANTEED CONVERTIBLE BONDS DUE 2019 PROPOSED ISSUE OF NEW CONVERTIBLE BONDS AND PROPOSED PURCHASED CALL OPTIONS AND WRITTEN CALL OPTIONS**

*Joint Global Coordinators, Joint Lead Managers, Joint Bookrunners,  
Joint Dealer Managers, and Option Counterparties*

**Goldman  
Sachs**

**J.P.Morgan**

The Company announces that the Issuer, a wholly-owned subsidiary of the Company, is planning to carry out a partial repurchase of up to HK\$7,830 million of the zero coupon secured guaranteed convertible bonds due 2019 issued by the Issuer (ISIN:XS1756818768) in accordance with the terms and conditions of the Existing Bonds.

The Repurchase will not be conducted within or offered to the United States or to persons located or resident in the United States, or to a person acting on behalf of a beneficial owner of Existing Bonds located or resident in the United States or acting for the account or benefit of any person located or resident in the United States.

Concurrent with the Repurchase, the Issuer is planning to issue new secured guaranteed convertible bonds to institutional investors.

In order to mitigate and reduce the dilution effect of the New Bonds to the shareholders of the Company, the Company is contemplating to enter into the Purchased Call Options and Written Call Options.

**As no binding agreement in respect of the Repurchase, the Proposed New Bonds Issue, the Purchased Call Options and the Written Call Options have been entered into as at the date of this announcement, the Repurchase, the Proposed New Bonds Issue, the Purchased Call Options and the Written Call Options may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

A further announcement will be made by the Company as and when binding agreements in respect of the proposed transactions noted above are entered into.

## **Proposed repurchase of Existing Bonds**

Reference is made to the announcements of the Company dated 16 January 2018 and 17 January 2018 in relation to, amongst others, the issue of the Existing Bonds. The Existing Bonds are listed on the SGX (ISIN:XS1756818768).

Under the terms and conditions of the Existing Bonds, the Issuer, the Company or any of their respective subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Existing Bonds at any price in the open market or otherwise.

The Issuer proposes to carry out a partial repurchase of up to HK\$7,830 million of the Existing Bonds in accordance with its terms. On 21 November 2018, the Issuer and the Company entered into the Dealer Manager Agreement with Goldman Sachs and JP Morgan, as the joint dealer managers, under which the Joint Dealer Managers will assist the Issuer and the Company in collecting indications of interests from holders of the Existing Bonds to sell some or all of their Existing Bonds to the Issuer.

The Repurchase will not be conducted within or offered to the United States or to persons located or resident in the United States, or to a person acting on behalf of a beneficial owner of Existing Bonds located or resident in the United States or acting for the account or benefit of any person located or resident in the United States.

Completion of the Repurchase is subject to, among other things, completion of the Proposed New Bonds Issue and the conditions precedent set forth in the Dealer Manager Agreement, market conditions and investors' demand. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. The Existing Bonds repurchased will be cancelled in accordance with the terms and conditions of the Existing Bonds.

The repurchase price under the Repurchase will be HK\$2,015,000 per HK\$2,000,000 principal amount of the Existing Bonds.

The Issuer intends to accept for repurchase Existing Bonds in the following order of priority:

- a. First, Existing Bonds held by holders who have subscribed for New Bonds in the Proposed New Bonds Issue. The aggregate principal amount of Existing Bonds which is eligible to be repurchased from a holder pursuant to this paragraph (a) will be up to but no more than the aggregate principal amount of New Bonds which such holder subscribes for pursuant to the Proposed New Bonds Issue. For the avoidance of doubt, a holder may choose to offer an aggregate principal amount of Existing Bonds for repurchase pursuant to the Repurchase which is less than the aggregate principal amount of New Bonds which such holder subscribes for pursuant to the Proposed New Bonds Issue.

Existing Bonds accepted for repurchase pursuant to this paragraph (a) are referred to as “**Priority Bonds**”.

- b. Second, the Issuer may, in its sole and absolute discretion, elect to accept for repurchase additional Existing Bonds (other than the Priority Bonds) pursuant to the Repurchase. Existing Bonds submitted for repurchase pursuant to this paragraph (b) are referred to as “**Additional Bonds**”, and may be subject to pro-ration where the aggregate principal amount of Existing Bonds offered for repurchase pursuant to this paragraph (b) exceeds the aggregate principal amount of Additional Bonds accepted for repurchase by the Issuer. For the avoidance of doubt, the Issuer is not obliged to accept any Additional Bonds for repurchase.

### **Proposed New Bonds Issue**

Concurrent with the Repurchase, the Issuer is planning to issue new secured guaranteed convertible bonds to institutional investors.

Goldman Sachs and JP Morgan have been appointed as the Joint Global Coordinators and Goldman Sachs and JP Morgan have been appointed as the Joint Lead Managers and Joint Bookrunners in respect of the Proposed New Bonds Issue.

Terms of the Proposed New Bonds Issue, including the size of the Proposed New Bonds Issue, issue prices and other terms will be determined through a book-building exercise to be conducted. Upon finalisation of the terms of the Proposed New Bonds Issue, the Joint Lead Managers will enter into a Subscription Agreement for the Proposed New Bonds Issue with the Issuer and the Company.

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

The New Bonds have not been and will not be registered under the U.S. Securities Act. The New Bonds will only be offered outside of the United States in compliance with Regulation S under the U.S. Securities Act.

### **Proposed Purchased Call Options and Written Call Options**

To mitigate the potential dilution effect of the Proposed New Bonds Issue, the Issuer and the Company are considering to enter into the Purchased Call Options and Written Call Options with the Option Counterparties.

The Purchased Call Options and Written Call Options are expected generally to reduce or offset the potential dilution upon conversion of the New Bonds and/or offset any cash payments the Issuer is required to make in excess of the principal amount of converted New Bonds, as the case may be. The Purchased Call Options and Written Call Options will cover the equivalent number of conversion shares underlying the New Bonds.

### **Proposed use of proceeds**

Completion of the Proposed New Bonds Issue is subject to market conditions and investors' interest. If the Proposed New Bonds Issue is being carried out, the Company intends to use the net proceeds from the Proposed New Bonds Issue to fund the Repurchase and use any remainder for refinancing existing offshore indebtedness.

### **Information of the Group**

The Group is PRC's 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. The Group 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.

## General

As no binding agreement in relation to the Repurchase, the Proposed New Bonds Issue, the Purchased Call Options and the Written Call Options have been entered into as at the date of this announcement, the Repurchase, the Proposed New Bonds Issue, the Purchased Call Options and the Written Call Options 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 will be made by the Company as and when binding agreements in respect of the proposed transactions noted above are entered into.

## Definitions

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

“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;
“Dealer Manager Agreement”	the agreement dated 21 November 2018 between the Issuer, the Company and Joint Dealer Managers in relation to the appointment of Goldman Sachs and JP Morgan as the joint dealer managers to assist the Company with the Repurchase;
“Directors”	the directors of the Company;
“Existing Bonds”	the zero coupon secured guaranteed convertible bonds due 2019 issued by the Issuer on 30 January 2018;
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuer”	Smart Insight International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“Joint Bookrunners”	Goldman Sachs and JP Morgan;

“Joint Dealer Managers”	Goldman Sachs and JP Morgan;
“Joint Global Coordinators”	Goldman Sachs and JP Morgan;
“Joint Lead Managers”	Goldman Sachs and JP Morgan;
“JP Morgan”	J.P. Morgan Securities plc;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Bonds”	secured guaranteed convertible bonds to be issued by the Issuer;
“Option Counterparties”	Goldman Sachs International and JP Morgan;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Proposed New Bonds Issue”	the proposed issue of the New Bonds;
“Purchased Call Options”	the sale of call option(s) by the Option Counterparties or their respective affiliates to the Issuer with a strike price equal to the conversion price of the conversion shares under the New Bonds;
“Repurchase”	the partial repurchase of up to HK\$7,830 million of the Existing Bonds;
“SGX”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the agreement to be entered into between the Issuer, the Company and the Joint Lead Managers in relation to the Proposed New Bonds Issue;
“United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended; and

“Written Call Options”

the sale of call option(s) by the Issuer to the Option Counterparties or their respective affiliates with a strike price that is significantly higher than the conversion price of the conversion shares under the New Bonds.

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

Foshan, Guangdong Province, the PRC, 21 November 2018

*As of the date of this announcement, the executive Directors 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 is Mr. CHEN Chong. The independent non-executive Directors are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan and Mr. YEUNG Kwok On.*