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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\$500,000,000 6.15% SENIOR NOTES DUE 2025; AND CONNECTED TRANSACTION PURCHASE OF NOTES BY CONNECTED PERSONS

THE NOTES ISSUE

Reference is made to the announcement of the Company dated 10 September 2019 in relation to the proposed Notes Issue.

On 10 September 2019, 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 relation to the issue of US\$500,000,000 6.15% senior notes due 2025.

The Company intends to use the net proceeds of the Notes Issue for refinancing existing medium to long term offshore indebtedness, which will become due within one year.

Application has 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 CONNECTED PERSONS

Pursuant to the Notes Issue, Fine Nation has purchased the Notes in an aggregate amount of US\$80,000,000.

Fine Nation 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 constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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

Pursuant to the Notes Issue, Mr. MO Bin has purchased the Notes in an aggregate amount of US\$10,000,000.

Mr. MO Bin is the president and an executive director of the Company and is hence a connected person of the Company. Accordingly, the purchase of the Notes by Mr. MO Bin constitutes 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 by Mr. MO Bin are less than 0.1%, the purchase is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 10 September 2019 in relation to the proposed Notes Issue.

The Board announces that on 10 September 2019, 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.

Morgan Stanley, Goldman Sachs (Asia) L.L.C. and BNP PARIBAS are the joint global coordinators, joint lead managers and joint bookrunners for the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Morgan Stanley, Goldman Sachs (Asia) L.L.C. and BNP PARIBAS 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

Offer Price

The offering price of the Notes is 100.0% of the principal amount of the Notes.

Interest and Interest Payment Dates

The Notes will bear interest from and including 17 September 2019 at the rate of 6.15% per annum, payable semi-annually in arrears on 17 March and 17 September each year, beginning on 17 March 2020.

Ranking of the Notes

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

At any time and from time to time on or after 17 September 2023, the Company may redeem the 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 17 September of each of the years indicated below:

Period	Redemption price
2023	103.0750%
2024	101.5375%

At any time prior to 17 September 2023, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 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 17 September 2023, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 106.15% of the principal amount of the 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 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 for refinancing existing medium to long term offshore indebtedness, which will become due within one year.

Listing

Application has 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 CONNECTED PERSONS

Pursuant to the Notes Issue, Fine Nation has purchased the Notes in an aggregate amount of US\$80,000,000.

Fine Nation 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 constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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

Pursuant to the Notes Issue, Mr. MO Bin has purchased the Notes in an aggregate amount of US\$10,000,000.

Mr. MO Bin is the president and an executive director of the Company and is hence a connected person of the Company. Accordingly, the purchase of the Notes by Mr. MO Bin constitutes 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 by Mr. MO Bin are less than 0.1%, the purchase is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The subscription price of the Notes payable by Fine Nation and Mr. MO Bin is the same as the subscription price payable by the other investors in the Notes Issue. As the terms of the purchase are the same as other investors in the Notes Issue, and the purchase is being undertaken as part of the Notes Issue and will enable the Company to raise fund, 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 its shareholders as a whole.

Since (i) Mr. YEUNG Kwok Keung is the chairman and an executive director of the Company; (ii) Ms. YANG Huiyan, Ms. YANG Ziyang, Mr. YANG Zhicheng and Mr. CHEN Chong are associates of Mr. YEUNG Kwok Keung; and (iii) Mr. MO Bin is the president and an executive director of the Company, 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 Company is PRC's largest residential property developer that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of increasing the properties' value. The Group's other businesses are robotics and modern agriculture.

DEFINITIONS

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

“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
“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 (Asia) L.L.C.”	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
“Indentures”	the indentures to govern each of the Notes
“Initial Purchasers”	Morgan Stanley, Goldman Sachs (Asia) L.L.C., BNP PARIBAS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	the US\$500,000,000 6.15% senior notes due 2025 to be issued by the Company
“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 10 September 2019 entered into between, among others, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers in relation to the Notes Issue
“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, 11 September 2019

As of the date of this announcement, the executive Directors are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Co-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. TO Yau Kwok.