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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\$750 MILLION 7.50% SENIOR NOTES DUE 2023

On 3 January 2013, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers entered into the Purchase Agreement in relation to the issue of US\$750 million 7.50% senior notes due 2023.

The estimated net proceeds of the Notes Issue, after deducting the underwriting discount and other estimated expenses, will amount to approximately US\$737 million. The Company intends to use part of the net proceeds equivalent to approximately RMB957.2 million from the Notes Issue to fund the redemption of the Convertible Bonds at maturity, and the remaining balance to fund existing and new property projects (including construction costs and land premiums) and for general corporate purposes.

Approval in-principle has been received for the listing of the Notes on the SGX-ST. The Notes will not be designated for trading in the Financial Industry Regulatory Authority, Inc.'s PORTAL market. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the Company's associated companies or the Notes.

The Notes are expected to be issued on or about 10 January 2013.

Reference is made to the announcement of the Company dated 3 January 2013 in relation to the proposed Notes Issue. The Board is pleased to announce that on 3 January 2013, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers entered into the Purchase Agreement in relation to the Notes Issue.

THE PURCHASE AGREEMENT

Date: 3 January 2013

Parties:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors as the guarantors of the Company's obligations under the Notes;
- (c) the Subsidiary Guarantor Pledgors that 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, Goldman Sachs, J.P. Morgan, BOC International and ICBC International Securities Limited are the joint lead managers and Goldman Sachs, J.P. Morgan, BOC International and ICBC International Capital Limited are the joint bookrunners in connection with the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Goldman Sachs, J.P. Morgan, BOC International, ICBC International Capital Limited and ICBC International Securities Limited is an independent third party and not a connected person of the Company and its connected persons.

None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Principle terms of the Notes

Issuer: the Company

Aggregated principle amount: US\$750 million

Offering price: 100% of the principal amount of the Notes and accrued interest, if any

Settlement date: 10 January 2013

Interest rate: 7.50% per annum, payable semi-annually in arrears in on 10 January and 10 July of each year, commencing on 10 July 2013

Maturity: 10 January 2023

Subsidiary Guarantees: guarantees will be provided by the Subsidiary Guarantors

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 all existing and future obligations of the subsidiaries of the Company other than the Subsidiary Guarantors.

Covenants

The Notes, the Indenture 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 defaults under the Notes include, among other things:

- (i) default in the payment of principal;
- (ii) default in the payment of interest;
- (iii) defaults in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes;
- (iv) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$10 million 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;
- (v) 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;
- (vi) involuntary bankruptcy or insolvency proceedings against the Company or any restricted subsidiary;
- (vii) voluntary bankruptcy or insolvency proceedings commenced by the Company or any restricted subsidiary; and
- (viii) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security provided in relation to the Notes.

Redemption

At any time and from time to time on or after 10 January 2018, 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 month period beginning on 10 January of each of the years indicated below.

Period	Redemption price
2018	103.75%
2019	102.50%
2020	101.25%
2021 and thereafter	100.00%

At any time prior to 10 January 2018, 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 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 10 January 2016, 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 107.50% of the principal amount of the Notes, 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.

Reason for the Notes Issue

The Board believes that the Notes Issue represents a timely opportunity for the Group to supplement the funding of its expansion of growth plan. The Board also believes that the Notes Issue will further extend the profile of the Group and improve its ability to access the international debt capital markets to support the growth of the Group in the future.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deducting the underwriting discount and other estimated expenses, will amount to approximately US\$737 million. The Company intends to use part of the net proceeds equivalent to approximately RMB957.2 million from the Notes Issue to fund the redemption of the Convertible Bonds at maturity, and the remaining balance to fund existing and new property projects (including construction costs and land premiums) and for general corporate purposes.

Listing

Approval in-principle has been received for the listing of the Notes on the SGX-ST. The Notes will not be designated for trading in the Financial Industry Regulatory Authority, Inc.'s PORTAL market. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the Company's associated companies or the Notes.

Rating

The Notes have been provisionally rated BB- by Standard & Poor's and Ba3 by Moody's.

ABOUT COUNTRY GARDEN

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, fitting and decoration 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 projects of the Group are generally located in suburban areas of first-tier cities, and in the newly urbanized town centers of second-tier and third-tier cities.

DEFINITIONS

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

“Board”	the board of Directors
“BOC International”	BOCI Asia Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Company”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Convertible Bonds”	RMB-denominated U.S. Dollars settled 2.5% convertible bonds due 2013 issued by the Company of which a total of RMB781 million principal amount was outstanding as at the date hereof
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC International Capital Limited”	ICBC International Capital Limited, one of the joint bookrunners in respect of the offer and sale of the Notes

“ICBC International Securities Limited”	ICBC International Securities Limited, one of the joint lead managers in respect of the offer and sale of the Notes
“Indenture”	the Indenture to govern the Notes
“Initial Purchasers”	Goldman Sachs, J.P. Morgan, BOC International and ICBC International Securities Limited
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$750 million 7.50% senior notes due 2023 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement dated 3 January 2013 entered into between the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors and the Initial Purchasers in relation to the Notes Issue
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain subsidiaries of the Company which will provide guarantees at the original issue date of the Notes to secure the Company’s obligations under 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\$” US dollar, the lawful currency of the United States of America

“%” per cent

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

Foshan, Guangdong Province, PRC
4 January 2013

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, Ms. YANG Ziyang, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan, Mr. OU Xueming, Mr. YANG Zhicheng and Mr. YANG Yongchao. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald and Mr. HUANG Hongyan and Ms. HUANG Xiao.