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碧桂園

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 NEW SHARES
UNDER GENERAL MANDATE**

Sole Overall Coordinator



UBS AG Hong Kong Branch

Joint Placing Agents



J.P.Morgan

On 15 November 2022 (before trading hours), the Company and each of the Placing Agents entered into the Placing Agreements pursuant to which the Company conditionally agreed to appoint the Placing Agents, and the Placing Agents conditionally agreed to act as placing agents for the Company and to procure places to subscribe for an aggregate of 1,463,000,000 Shares at a price of HK\$2.68 per Share.

The Placing Shares represent (i) approximately 6.00% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 5.66% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, other than the issue of the Placing Shares).

The Placing Shares will be allotted and issued under the General Mandate.

On the assumption that all Placing Shares are issued pursuant to the Placing, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing are estimated to be approximately HK\$3,920.8 million and approximately HK\$3,871.8 million, respectively. The net price per Placing Share is estimated to be approximately HK\$2.65.

Completion of the Placing is subject to satisfaction of the conditions precedent to completion of the Placing and the Placing Agreements not having been terminated. As completion of the Placing may or may not take place, Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On 15 November 2022 (before trading hours), the Company and each of the Placing Agents entered into the Placing Agreements in relation to the Placing.

THE PLACING AGREEMENTS

Date

15 November 2022 (before trading hours)

Parties

Issuer: The Company

Placing Agents: UBS and J.P. Morgan

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agents is not a connected person of the Company.

The Placing

The Company conditionally agreed to appoint the Placing Agents, and the Placing Agents conditionally agreed to act as placing agents for the Company during the Placing Period and to procure places to subscribe for an aggregate of 1,463,000,000 Shares at a price of HK\$2.68 per Share.

Number of Placing Shares

The Placing Shares comprise 1,463,000,000 new Shares to be allotted and issued by the Company having an aggregate nominal value of HK\$146,300,000 and represent:

- (i) approximately 6.00% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 5.66% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, other than the issue of the Placing Shares).

Placees

Pursuant to the Placing Agreements, the Placing Agents will procure the Placing Shares to be placed to not less than six placees, who/which will be professional, institutional, and/or other investors.

It is expected that the placees to be procured by the Placing Agents and their respective ultimate beneficial owners will be independent of the Company and connected persons of the Company. It is not expected that any placee will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Placing Price

The Placing Price of HK\$2.68 per Share represents:

- (i) a discount of approximately 17.79% to the closing price of HK\$3.26 per Share as quoted on the Stock Exchange on 14 November 2022, being the Last Trading Day;
- (ii) a premium of approximately 30.86% to the average closing price of approximately HK\$2.048 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date of the Last Trading Day; and
- (iii) a premium of approximately 64.22% to the average closing price of approximately HK\$1.632 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to the date of the Last Trading Day.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agents and with reference to the market condition and the prevailing market price of the Shares.

Placing commission

The Placing Agents are entitled to a commission equivalent to 1.25% of the aggregate gross proceeds from the actual number of Placing Shares placed by the relevant Placing Agent at the Placing Price.

The placing commission under the Placing Agreements was determined after arm's length negotiations between the Company and the Placing Agents with reference to the prevailing market conditions. The Directors are of the view that the placing commission is fair and reasonable.

Rights of Placing Shares

The Placing Shares will, on allotment and issue, rank *pari passu* in all respects with other existing Shares upon issuance free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the record date of which falls on or after the date of issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to completion of and the delivery of documents under the Placing Agreements);
- (ii) UBS having received on or prior to the Closing Date (as defined below) an opinion from the Cayman Islands counsel to the Company, in a form reasonably acceptable to UBS on matters relating to Cayman Islands laws;
- (iii) UBS having received on or prior to the Closing Date (as defined below) an opinion of U.S. counsel to the Placing Agents, to the effect that the offer and sale of the Placing Shares by the Placing Agents as set forth in the Placing Agreements are not required to be registered under the Securities Act; and
- (iv) the Lock-up Undertaking in the form agreed by UBS in respect of the Shares beneficially owned by Ms. Yang having been signed on the date of the Placing Agreements and delivered to UBS.

If the condition (i) above is not satisfied at or before 8:00 a.m. (Hong Kong time) on the Long Stop Date or such other date as the Company and UBS may agree in writing, the Placing Agents and the Company shall have no obligations or liabilities to each other under the Placing, and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreements, save for antecedent breaches.

Completion

Completion of the Placing shall take place on the second Business Day after the fulfilment of the condition (i) as set out above or such other date to be agreed among the Company and UBS in writing (the “Closing Date”).

Termination of the Placing Agreements

Pursuant to the Placing Agreements, UBS is entitled to terminate the arrangements set out in the Placing Agreements by notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date,

- (a) if there develops, occurs or comes into force:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole; or
 - (ii) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority; or
 - (iii) any event, or series of events beyond the control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the PRC, the Cayman Islands, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the PRC, the Cayman Islands, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis; or
 - (iv) any adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, the United States, the United Kingdom or any other member of the European Union or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or

- (v) any suspension or limitation of dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or
- (vi) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United States, the United Kingdom or the European Union; or
- (vii) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange, the Shenzhen Stock Exchange or other relevant stock exchanges due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

which in the sole and absolute opinion of UBS is or is likely to affect the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith, or would materially prejudice trading of the Placing Shares in the secondary market; or

- (b) (i) any breach of any of the representations, warranties and undertakings as set out in the Placing Agreements by the Company comes to the knowledge of the Placing Agents; (ii) any event occurs or any matter arises on or after the date of the Placing Agreements and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date of the Placing Agreements would have rendered any of the representations, warranties and undertakings untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreements in any respect on the part of the Company; or
- (c) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreements) as a whole which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith, or would materially prejudice trading of the Placing Shares in the secondary market.

In the event that the Placing Agents terminate the Placing Agreements pursuant to the terms contained therein, all obligations of the Company or the Placing Agents under the Placing Agreements shall cease and determine and no party shall have any claim against any other party of the Placing Agreements in respect of any matter arising out of or in connection with the Placing Agreements (save for any antecedent breaches).

Other covenants

The Company undertakes to UBS that for a period from the date of the Placing Agreements up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (whether by actual disposition or effective economic disposition or swap due to or otherwise by way of cash settlement or otherwise) or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with similar 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, in each case, without first having obtained the written consent of UBS. The foregoing shall not apply to (a) the issue of the Placing Shares under the Placing Agreements; (b) the issue of new Shares pursuant to the exercise of options granted or which may be granted under the share option scheme adopted by the Company on 20 March 2007; (c) the issue of new Shares pursuant to the exercise of options granted or which may be granted under the share option scheme adopted by the Company on 18 May 2017; (d) the sale, transfer or disposal of any Shares pursuant to the employee incentive scheme adopted by the Company on 20 December 2012; (e) the issue of new Shares pursuant to the exercise of the 4.50% secured guaranteed convertible bonds due 2023 issued by Smart Insight International Limited; (f) the issue of new Shares pursuant to the exercise of the 4.95% secured guaranteed convertible bonds due 2026 issued by Smart Insight International Limited; or (g) 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 in accordance with its articles of association.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

GENERAL MANDATE

The Placing Shares will be allotted and issued pursuant to the General Mandate, which has been granted to the Directors to allot and issue up to 4,629,678,189 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM.

As at the date of this announcement, 870,000,000 Shares have been allotted and issued under the General Mandate, representing approximately 3.57% of the issued share capital of the Company. The allotment and issue of the Placing Shares will fall within the limit of the General Mandate. Accordingly, the issue of the Placing Shares is not subject to further approval of the Shareholders.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PLACING

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing will strengthen the financial position and liquidity of the Group and provide funding to the Group for refinancing existing offshore indebtedness, general working capital and future development purposes.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreements (including the Placing Price and the placing commission) are fair and reasonable, and that the Placing is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing are estimated to be approximately HK\$3,920.8 million and approximately HK\$3,871.8 million, respectively. The net price per Placing Share is estimated to be approximately HK\$2.65.

It is intended that the net proceeds received by the Company from the Placing will be utilized for refinancing existing offshore indebtedness and general working capital.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Group has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement:

Dates of announcements	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
21 January 2022 and 6 June 2022	Issue of convertible bonds under the General Mandate	Approximately HK\$3,861 million	Refinancing of existing medium to long term offshore indebtedness	As at the date of this announcement, the Group has utilized approximately HK\$3,861 million of the proceeds, as to (1) partial repurchase of 4.75% senior notes due July 2022 and 4.75% senior notes due January 2023 with principal amount of USD30.6 million; (2) USD209.2 million equivalent of principal repayment of the Company's offshore indebtedness; and (3) USD255.2 million equivalent of interest and coupon payment of the Company's existing offshore indebtedness.
27 July 2022 and 3 August 2022	Placing of new shares under the General Mandate	Approximately HK\$2,790.7 million	Refinancing of existing offshore indebtedness, for general working capital and future development purposes	As at the date of this announcement, the Group has utilized approximately HK\$2,790.7 million of the proceeds, as to (1) USD198.4 million equivalent of principal repayment of the Company's offshore indebtedness; and (2) USD159.3 million equivalent of interest and coupon payment of the Company's existing offshore indebtedness.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement up to completion of the Placing other than the issue of the Placing Shares) is set out below:

	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Concrete Win ^(Note)	14,539,618,535	59.60	14,539,618,535	56.23
Placees	—	—	1,463,000,000	5.66
Other shareholders	<u>9,855,223,685</u>	<u>40.40</u>	<u>9,855,223,685</u>	<u>38.11</u>
Total	<u>24,394,842,220</u>	<u>100.00</u>	<u>25,857,842,220</u>	<u>100.00</u>

Note: Concrete Win is wholly-owned by Ms. Yang.

THE LOCK-UP UNDERTAKING

Pursuant to the Lock-up Undertaking, Ms. Yang, Concrete Win (which is wholly-owned by Ms. Yang), any other affiliates over which Ms. Yang exercises management or voting control, and any person acting on Ms. Yang's behalf will not, for a period from the date of the Lock-Up Undertaking to 90 days after the Closing Date (both dates inclusive), without the prior written consent of UBS:

- (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to purchase any interest in, any Shares held by them as at the date of the Lock-up Undertaking (the "**Lock-up Shares**") or any securities convertible into, exchangeable for or which carry rights to purchase the Lock-up Shares or other instruments representing interests in the Lock-up Shares or other 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 Lock-up 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 the Lock-up Shares or other securities convertible into, exchangeable for or which carry rights to purchase the Lock-up Shares, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing.

INFORMATION ON THE GROUP

The Company is one of the PRC's largest residential property developers 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 enhancing the properties' marketability. The Group's other businesses are robotics and modern agriculture. As at the date of this announcement, Ms. Yang is indirectly interested in approximately 59.60% of the total issued share capital of the Company through Concrete Win.

Completion of the Placing is subject to satisfaction of the conditions precedent to completion of the Placing and the Placing Agreements not having been terminated. As completion of the Placing may or may not take place, Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 26 May 2022
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday and general holiday as defined in the General Holidays Ordinance (Chapter 149 of the laws of Hong Kong) on which licensed banks in Hong Kong are generally open for ordinary business and dealings in inter-bank deposits and payments can take place and the Stock Exchange is generally open for trading of securities in Hong Kong
“Closing Date”	has the meaning ascribed to it under the paragraph headed “The Placing Agreements” in this announcement
“Company”	Country Garden Holdings Company Limited (碧桂園控股有限公司), 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)
“Concrete Win”	Concrete Win Limited (必勝有限公司), a company incorporated in the British Virgin Islands with limited liability

“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the relevant resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“J.P. Morgan”	J.P. Morgan Securities plc
“Last Trading Day”	14 November 2022, being the last full trading day prior to the date of the Placing Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Shares”	has the meaning ascribed to it under the paragraph headed “The Lock-up Undertaking” in this announcement
“Lock-up Undertaking”	the lock-up undertaking to be entered into by Ms. Yang in favor of UBS
“Long Stop Date”	29 November 2022
“Ms. Yang”	Ms. YANG Huiyan, the co-chairman of the Board, an executive Director and the controlling shareholder of the Company
“Placing”	placing of the Placing Shares pursuant to the terms of the Placing Agreements
“Placing Agents”	UBS and J.P. Morgan; and each a “Placing Agent”
“Placing Agreements”	the placing agreements entered into between the Company and each of the Placing Agents dated 15 November 2022 (before trading hours) in relation to the Placing

“Placing Period”	the period commencing upon the execution of the Placing Agreements and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing)
“Placing Price”	HK\$2.68 per Placing Share (exclusive of all brokerage, transaction levies of the Securities and Futures Commission and trading fees of the Stock Exchange)
“Placing Shares”	1,463,000,000 new Shares to be placed pursuant to the Placing Agreements
“PRC”	the People’s Republic of China
“Securities Act”	the U.S. Securities Act of 1933
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.1 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS”	UBS AG Hong Kong Branch
“United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Foshan, Guangdong Province, the PRC, 15 November 2022

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 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.