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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 NEW SHARES UNDER GENERAL MANDATE**

On 30 August 2023 (before trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company agreed to allot and issue, and the Subscriber agreed to subscribe for 350,649,350 Shares at the price of HK\$0.77 per Share. The total consideration for the Subscription Shares, being HK\$270,000,000, will be set off against the Payment Amount, and accordingly no cash proceeds will be received by the Company from the Subscription. The net price per Subscription Share is approximately HK\$0.77.

The Subscription Shares represent (i) approximately 1.27% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription 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 Subscription, other than the issue of the Subscription Shares.

The issue of the Subscription Shares is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

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

**Completion of the Subscription is subject to satisfaction of the conditions precedent set out in the Subscription Agreement, including the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. As completion of the Subscription 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.**

## THE SUBSCRIPTION AGREEMENT

### Date

30 August 2023 (before trading hours)

### Parties

Issuer: The Company

Subscriber: The Subscriber

### The Subscription

Pursuant to the Subscription Agreement, the Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, 350,649,350 Shares at the Subscription Price of HK\$0.77 per Share.

## **Subscription Shares**

The Subscription Shares, comprising 350,649,350 new Shares to be allotted and issued by the Company having an aggregate nominal value of HK\$35,064,935, represent (i) approximately 1.27% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription 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 Subscription, other than the issue of the Subscription Shares.

## **Subscription Price**

The Subscription Price of HK\$0.77 per Share represents:

- (a) a discount of approximately 15.38% to the closing price of HK\$0.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 3.75% to the average closing price of HK\$0.80 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to the date of the Last Trading Day; and
- (c) a discount of approximately 1.91% to the average closing price of HK\$0.785 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to the date of the Last Trading Day.

The Subscription Price was determined and negotiated on an arm's length basis between the Company and the Subscriber and with reference to the market conditions and the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

The total consideration for the Subscription Shares, being HK\$270,000,000, will be set off against the Payment Amount, and accordingly no cash proceeds will be received by the Company from the Subscription. The Company will use its internal resources to settle the professional fees and all other related expenses to be borne by the Company in connection with the Subscription. The net issue price per Subscription Share is approximately HK\$0.77.

## **Ranking of the Subscription Shares**

The Subscription Shares will, on allotment and issue, rank *pari passu* in all respects with other existing Shares upon issuance free from all encumbrances, and together with all rights attaching to them as at the date of issue of the Subscription 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 Subscription Shares.

## **Application for Listing**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **Conditions to the Subscription**

Completion of the Subscription is conditional upon: (i) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares and such approval and granting of permission not having been withdrawn or revoked on or before the Long Stop Date and (ii) no suspension or halt of trading of Shares on the Stock Exchange on the date of completion of the Subscription.

The condition (i) above may not be waived by any party under any circumstances while condition (ii) above may be waived by the Subscriber. If the condition has not been satisfied (or otherwise waived pursuant to the Subscription Agreement) before the Long Stop Date, the Subscription Agreement shall terminate with immediate effect.

## **Completion of the Subscription**

Completion of the Subscription shall take place on 6 September 2023, or such other date as the Subscriber and the Company may agree in writing.

## **Subscriber's right to terminate**

The Subscriber may terminate the Subscription Agreement by notice to the Company at any time before completion of the Subscription if there is any material adverse effect occurs (provided that any event, circumstance, effect, occurrence or state of affairs or any combination of them which has existed or occurred and publicly disclosed before the date of the Subscription Agreement shall be excluded) or any breach of the Company's warranties, obligations or undertakings under the Subscription Agreement.

## **GENERAL MANDATE**

The Subscription Shares will be allotted and issued under the General Mandate granted to Directors to allot, issue and deal with 5,527,571,719 new Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. Accordingly, 5,527,571,719 Shares remain available for allotment and issuance under the General Mandate which is sufficient for the issue of the Subscription Shares. Accordingly, the issue of the Subscription Shares is not subject to further approval of the Shareholders.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company 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
15 November 2022 and 22 November 2022	Placing of new Shares under the general mandate granted to the Directors pursuant to the relevant resolution of the Shareholders passed at the annual general meeting of the Company held on 26 May 2022	Approximately HK\$3,871.8 million	Refinancing of existing offshore indebtedness and for general working capital	<p>(1) USD178 million equivalent of principal repayment of the Company's offshore indebtedness;</p> <p>(2) USD79.98 million equivalent of interest and coupon payment of the Company's existing offshore indebtedness; and</p> <p>(3) partial repurchase of 4.75% senior notes due January 2023 with principal amount of USD238.4 million.</p>
7 December 2022	Placing of new Shares under the general mandate granted to the Directors pursuant to the relevant resolution of the Shareholders passed at the annual general meeting of the Company held on 26 May 2022	Approximately HK\$4,741.1 million	Refinancing of existing offshore indebtedness and for general working capital	<p>(1) USD146.6 million equivalent of principal repayment of the Company's offshore indebtedness;</p> <p>(2) USD100 million equivalent of interest and coupon payment of the Company's existing offshore indebtedness; and</p> <p>(3) partial repurchase of 4.75% senior notes due January 2023 with principal amount of USD361.3 million.</p>

## EFFECT ON THE SHAREHOLDING STRUCTURE

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 Subscription (assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription, other than issue of the Subscription Shares) is set out below:

	As at the date of this announcement		Immediately upon completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Concrete Win <sup>(Note)</sup>	14,539,618,535	52.61	14,539,618,535	51.95
The Subscriber	—	—	350,649,350	1.25
Other public Shareholders	<u>13,098,240,061</u>	<u>47.39</u>	<u>13,098,240,061</u>	<u>46.80</u>
<b>Total</b>	<u><u>27,637,858,596</u></u>	<u><u>100.00</u></u>	<u><u>27,988,507,946</u></u>	<u><u>100.00</u></u>

*Note:* Concrete Win is wholly owned by Ms. Yang Huiyan, the chairman of the Board, an executive Director and the controlling shareholder of the Company.

## REASONS AND BENEFITS FOR THE SUBSCRIPTION

The Directors are of the view that the Subscription enables the Company to capitalise in part the Payment Amount and minimise cash outlay, thereby preserving the cash resources of the Group and reducing the gearing level of the Group, which will strengthen the financial position of the Group. Following completion of the Subscription, the outstanding principal amount owing by the Company to the Subscriber under the Facility Agreement shall be HK\$1,598,000,000, which shall be payable by the Company by instalments, the last of which is in December 2023.

The Directors (including the independent non-executive directors) consider that the terms of the Subscription Agreement (including the Subscription Price and the set-off arrangement regarding the Payment Amount) are fair and reasonable, and that the Subscription is in the interests of the Company and Shareholders as a whole.

## **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 Huiyan is indirectly interested in approximately 52.61% of the total issued share capital of the Company through Concrete Win.

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is a company with limited liability incorporated under the laws of Hong Kong. To the best of the Directors' information and belief after having made all reasonable enquiries, (i) the Subscriber is wholly owned by Kingboard Holdings Limited (stock code: 148), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; and (ii) the principal business of the Subscriber is investment holding.

**Completion of the Subscription is subject to satisfaction of the conditions precedent set out in the Subscription Agreement, including the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. As completion of the Subscription 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 shall have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 23 May 2023
“Board”	the board of Directors
“Business Day(s)”	any day other than a Saturday or Sunday or public holiday in the PRC or Hong Kong
“Company”	Country Gardens Holdings Company Limited (碧桂園控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and 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”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Facility Agreement”	the facility agreement in respect of a HK\$1,880,000,000 term loan facility dated 1 December 2021 made between the Company as borrower and the Subscriber as lender, as subsequently amended and supplemented
“General Mandate”	the general authority granted by the Shareholders to the Directors at the annual general meeting of the Company held at the AGM to issue up to 5,527,571,719 Shares, representing 20% of the total number of Shares of the Company in issue on the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Last Trading Day”	29 August 2023, being the last full trading day prior to the signing of the Subscription Agreement
“Long Stop Date”	6 September 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Payment Amount”	a sum of HK\$318,775,890.41, being part of the amount owing to the Subscriber under the Facility Agreement
“PRC”	the People’s Republic of China
“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



“Subscriber”	Ever Credit Limited, a company with limited liability incorporated under the laws of Hong Kong
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the agreement entered into between the Company and the Subscriber on 30 August 2023 in relation to the Subscription
“Subscription Share(s)”	350,649,350 new Shares to be allotted and issued by the Company to the Subscriber (or its nominee) pursuant to the Subscription Agreement;
“Subscription Price”	HK\$0.77 per Subscription Share
“USD”	United States dollars, 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, the PRC, 30 August 2023

*As of the date of this announcement, the executive directors of the Company are Ms. YANG Huiyan (Chairman), Mr. MO Bin (President), Ms. YANG Ziying, Dr. CHENG Guangyu, Ms. WU Bijun 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 and Mr. TO Yau Kwok.*