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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)

INSIDE INFORMATION

This announcement is made by Country Garden Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

UPDATES ON BUSINESS AND LIQUIDITY

Given China’s property sector has undergone profound adjustments, since the beginning of 2023, the Group’s sales have been under remarkable pressure. Based on the Group’s unaudited operating figures, the Group recorded contracted sales of approximately RMB154.98 billion during the period from January to September 2023, representing a decrease of 43.9% and 65.4%, respectively, compared with the same period in 2022 and 2021. For the month of September 2023, the Group’s contracted sales were approximately RMB6.17 billion, representing a decrease for the sixth consecutive month in 2023 and a decrease of 80.7% and 86.5%, respectively, compared with the same month in 2022 and 2021. Meanwhile, as there has not been any material, industry-wide improvement in property sales, the Group faces significant uncertainty regarding asset disposals, and its liquidity position is expected to remain very tight in the short- to medium-term.

The Group has taken various measures to alleviate the liquidity pressure to minimize the impact on project construction and operations to the greatest extent. Through proactive liability management exercises, the Group has continuously attempted to optimize its existing debt structure to protect the interests of all stakeholders. The long-term healthy development of the Group requires extensive support. The Group has made its best effort to proactively address the current situation and has achieved significant progress in its onshore liability management. As of the date of this announcement, the Group has received requisite consents from relevant bondholders for the extension of maturity of nine series of onshore corporate bonds with an aggregate outstanding principal amount of approximately RMB14.7 billion, which provides the Group with the time and space to focus on the recovery of its business operations.

Despite the current adverse market conditions, the Group remains committed to its course and continues to exert its utmost effort to meet its debt repayment obligations. Since 2020, there has been a continuous net cash outflow in the Group's financing activities. Under the circumstances where obtaining new financing was extremely difficult, the Group strived to meet its repayment obligations with its sales revenue and internal cash resources. Nevertheless, currently the Group's sales and financing are still facing significant challenges, and its available funds have continued to decrease. Despite the Group's best endeavors to explore various options for cash generation, such as asset disposals, in order to continue to meet its financial commitments, prevailing market conditions have made it difficult for the Group to procure sufficient cash to enhance its liquidity position within a short period of time. Consequently, the Group's cash position remains under significant pressure.

DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES AND OFFSHORE LIABILITY MANAGEMENT

As of the date of this announcement, the Company has not made a due payment in the principal amount of HK\$470.0 million under certain of its indebtedness. The Company also expects that it will not be able to meet all of its offshore payment obligations when due or within the relevant grace periods, including but not limited to those under the U.S. dollar notes issued by the Company. Such non-payment may lead to relevant creditors of the Group demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action.

The Company will actively pursue offshore liability management measures and develop a holistic solution in a fair and equitable manner to achieve a sustainable capital structure, while respecting the existing legal status and ranking in right of payment of all creditors. The Company attaches great importance to such offshore liability management and to the interest of all creditors, and calls for patience from creditors to allow the Company time to assess the current challenges and work with its advisors to develop the most pragmatic and optimal solution for all stakeholders.

ENSURING DELIVERIES AND OPERATIONS

The Group will continue to adhere to its responsibilities and make its best effort to ensure the delivery of properties, which is the Group's most critical corporate responsibility and is the key pillar to safeguard the property market. In 2022, the Group, together with its joint ventures and associates, delivered nearly 700,000 housing units, ranking first in the industry in terms of delivery volume. For the nine months ended 30 September 2023, the Group, together with its joint ventures and associates, delivered a total of approximately 420,000 housing units, with delivered GFA of approximately 51.12 million square meters. The delivered projects spread across 235 cities in 31 provinces, and certain projects were delivered ahead of schedule. The top operational priority of the Group is to ensure deliveries. The Group has adopted various measures, including, among others, earmarking of funds and strict management of the pre-sale funds in escrow accounts, with a view to effectively ensuring the normal operation of projects and deliveries.

Moreover, the Group attaches great importance to debt risk resolution and plans to seize all sales opportunities brought by recent favorable policies to accelerate sales and receivables collection; conduct a comprehensive review on the Group's assets and seek asset revitalization in the market; optimize the Group's overall organizational structure to cater to the needs of business development and establish a special task force led by the Chairman of the Company's board of directors; establish a more streamlined and efficient response mechanism to manage major workstreams and reduce unnecessary expenses to help the Group manage through the current crisis; and make every effort to increase revenue and reduce expenses to improve the Group's liquidity situation.

ENGAGEMENT OF ADVISORS

The Company has engaged China International Capital Corporation Hong Kong Securities Limited and Houlihan Lokey (China) Limited as its joint financial advisors and Sidley Austin as its legal advisor, to evaluate the capital structure and liquidity of the Group and formulate a holistic solution.

The Company and its advisors will ensure fair and equitable treatment amongst all creditors and actively communicate with creditors to explore potential options when appropriate. The Company intends to continue to cooperate and engage in dialogue with all creditors to reach a feasible solution as soon as practicable.

Offshore creditors of the Company may contact representatives of the joint financial advisors for further details:

China International Capital Corporation Hong Kong Securities Limited
Address: 29th Floor, One International Finance Centre, 1 Harbour View Street, Central,
Hong Kong
Email: Cogard@cicc.com.cn

Houlihan Lokey (China) Limited

Address: Suites 506–508, One International Finance Centre, 1 Harbour View Street,
Central, Hong Kong

Email: CoGard@HL.com

CONCLUSION

We wish to pursue a holistic solution to fully address the Company's current offshore debt risk, to enable the Company to restore its business operations and achieve long-term healthy development and, to the greatest extent, protect the rights and interests of all stakeholders including customers, employees and creditors.

GENERAL

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

The implementation of any holistic solution of the offshore debt issue will be subject to many factors beyond the control of the Company. As there is no assurance that any holistic solution will be successfully implemented, holders of securities of the Company and other investors are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities of the Company and other investors are advised to seek professional advice from their own professional or financial advisors.

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

Foshan, Guangdong Province, the PRC, 10 October 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 Ziyang, 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.