



NOTICE TO HOLDERS

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

If you have recently sold or otherwise transferred your holding(s) of Senior Notes (as defined below), you should immediately forward this notice to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Senior Notes, you should retain a copy of this notice and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

October 18, 2023

COUNTRY GARDEN HOLDINGS COMPANY LIMITED (the “Company”)

3.875% Senior Notes due 2030 (ISIN: XS2240971825; Common Code: 224097182) (the “3.875% Notes”);

3.125% Senior Notes due 2025 (ISIN: XS2240971742; Common Code: 224097174) (the “3.125% Notes”);

2.7% Senior Notes due 2026 (ISIN: XS2280833133; Common Code: 228083313) (the “2.7% Notes”); and

3.3% Senior Notes due 2031 (ISIN: XS2280833307; Common Code: 228083330) (the “3.3% Notes”, and together with the 3.875% Notes, the 3.125% Notes and the 2.7% Notes, the “Senior Notes” and each a “Series of Notes”).

Reference is made to the indentures governing the Senior Notes (as supplemented or amended from time to time, the “**Indentures**”) by and among the Company, the Subsidiary Guarantors listed in Schedule I thereto and Citicorp International Limited, as trustee (the “**Trustee**”).

With respect to a Series of Notes, capitalized terms used but not defined in this notice have the meanings given to such terms in the Indenture relating to such Series of Notes.

Company’ stock exchange announcement

NOTICE IS HEREBY GIVEN to the Holders that the Company made an announcement on The Stock Exchange of Hong Kong Limited dated October 10, 2023 (the “**Announcement**”), amongst others, that:

- (1) As of the date of the Announcement, the Company has not made a due payment in the principal amount of HK\$470.0 million under certain of its indebtedness;
- (2) the Company expects that it will not be able to meet all of its offshore payment obligations when due or within the relevant grace periods; and

(3) such non-payment may lead to relevant creditors of the Company and its subsidiaries demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action.

A copy of the Announcement is attached as Annex A hereto.

Clause 6.1(a) (*Events of Default*) of each of the Indentures provides that an Event of Default occurs if there is a “*default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise*”.

Clause 6.1(b) (*Events of Default*) of each of the Indentures provides that an Event of Default occurs if there is a “*default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days*”.

Clause 6.1(e) (*Events of Default*) of each of the Indentures provides that an Event of Default occurs if “*there occurs with respect to any indebtedness of the Company or any Subsidiary having an outstanding principal amount of US\$30.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such indebtedness of all such Persons, whether such indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its Stated Maturity and/or (ii) the failure to make a principal payment when due*”.

Extracts of the Indentures

Clause 6.2 (*Acceleration*) of each of the Indentures provides, “*If an Event of Default (other than an Event of Default specified in paragraph (g) or (h) of Clause 6.1 above) occurs and is continuing under this Indenture, the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall, subject to being indemnified and/or secured to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. ...*”

Clause 6.3 (*Other Remedies*) of each of the Indentures provides, “*If an Event of Default occurs and is continuing, the Trustee may but will not be obligated to pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. In addition, if an Event of Default occurs and is continuing, subject to the Intercreditor Agreement, the Trustee shall upon written direction of Holders of at least 25% in aggregate principal amount of outstanding Notes, subject to being indemnified and/or secured to its satisfaction, direct the Intercreditor/Collateral Agent to foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the Holders of the Notes with respect to the Collateral as the Intercreditor/Collateral Agent or the Trustee, as the case may be, deems appropriate.*”

Clause 7.2(d) (*Certain Rights of Trustee*) of each of the Indentures provides, “*Notwithstanding any other provision of this Indenture, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity*

and/or security reasonably satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.”

Contact details of the Trustee

If you have any questions regarding this notice, you may contact the Trustee by e-mail to: at.tmg.trustee@citi.com, attention: Agency & Trust.

Reservation of rights

This notice is given without prejudice to the rights of the Trustee under the Indentures and at law. The Trustee expressly reserves all of the rights, powers, claims and remedies available to it under the Indentures and applicable law. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a Default, an Event of Default or similar event under the terms of the Indentures, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or an acquiescence therein.

The Trustee provides this notice for the information of Holders but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. Holders should monitor sources of information (including stock exchange announcements of the Company) themselves and the Trustee accepts no obligation or duty to do so on their behalf. The Trustee makes no recommendations and gives no legal or investment advice herein or as to the Senior Notes generally. Holders should take and rely on their own independent legal and financial advice, and may not rely on advice or information provided to the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Senior Notes or otherwise or the views of the Trustee expressed herein or otherwise.

The Trustee expressly reserves its rights under the Indentures, including without limitation, any right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing to or to become owing to the Trustee, compensation for the Trustee's time spent, and reimbursement for the fees and expenses of legal counsel and other agents and advisers it employs in performing its duties or to pursue remedies) and its rights, prior to exercising any rights or powers in connection with the Indentures at the request or direction of any Holder of the Senior Notes to receive security, prefunding and/or indemnity satisfactory to it against all costs, expenses, and liabilities that might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

The ISINs and Common Codes for the Senior Notes appearing herein have been included solely for the convenience of the Holders. Citicorp International Limited assumes no responsibility for the selection or use of such number. No representation has been made as to the correctness or accuracy of such number, either as printed on the Senior Notes or as contained in this notice.

This notice is given by
CITICORP INTERNATIONAL LIMITED
in its capacity as Trustee of the Senior Notes

ANNEX A

Company's stock exchange announcement dated October 10, 2023

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



碧桂园

COUNTRY GARDEN HOLDINGS COMPANY LIMITED 碧桂园控股有限公司

(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 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.