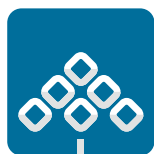


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碧桂园服务
COUNTRY GARDEN SERVICES

COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED

碧桂园服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6098)

CONNECTED TRANSACTION EQUITY ACQUISITION

EQUITY TRANSFER AGREEMENT

On 5 August 2021 (after trading hours), the Purchaser (an indirect non-wholly-owned subsidiary of the Company) and the Vendor (an indirect wholly-owned subsidiary of CG Holdings) entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 100% equity interest in the Target Company at a consideration of RMB16.8 million.

Upon completion of the Acquisition, the Target Company will become a non-wholly-owned subsidiary of the Group, and its results, assets and liabilities will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder, CG Holdings and its subsidiaries are associates of Ms. YANG Huiyan and thus connected persons of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 0.1% but all of them are less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that, on 5 August 2021 (after trading hours), the Purchaser (an indirect non-wholly-owned subsidiary of the Company) and the Vendor (an indirect wholly-owned subsidiary of CG Holdings) entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell 100% equity interest in the Target Company at a consideration of RMB16.8 million. The principal terms of the Equity Transfer Agreement are set out below.

PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date : 5 August 2021

Parties : (1) the Vendor; and
(2) the Purchaser

Subject Matter : The Purchaser agreed to acquire and the Vendor agreed to sell 100% equity interest in the Target Company.

Consideration and Payment Terms : The consideration is RMB16.8 million and shall be payable by the Purchaser to the Vendor in cash within one month after the Target Company has completed the registration of the equity transfer with the relevant industrial and commercial authority in the PRC.

The consideration was determined following arm's length negotiations after taking into account factors including the historical financial results, profitability, future development potential and the status of existing projects under management of the Target Group.

Completion

Upon completion of the Acquisition, the Target Company will become an indirect non-wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

Information about the Target Group

The Target Company is a company established in the PRC in September 2017 with limited liability and the Target Group is principally engaged in the provision of business management and services. The capital contribution made by the Vendor to subscribe for the Target Shares upon the establishment of the Target Company was RMB5 million.

The key financial information of the Target Group for each of the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	Currency: RMB	
	For the year ended 31 December 2019 (unaudited)	For the year ended 31 December 2020 (unaudited)
Net profit/(loss) before taxation	13,952,082.84	(302,674.49)
Net profit/(loss) after taxation	11,128,038.88	(379,684.12)

The unaudited consolidated net assets of the Target Group as at 31 December 2020 were RMB13,578,931.58.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Despite the temporary adverse impacts due to factors such as the rent concession and shop vacancy in certain commercial centres on the Target Group as a result of the COVID-19 in 2020, the Acquisition will still enable the Group to further expand the business scale and scope of business management and services, to obtain continuous and stable income and cash flow, and to enhance its influence and competitiveness in the market, which are in line with the strategic development needs of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and that their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder, CG Holdings and its subsidiaries are associates of Ms. YANG Huiyan and thus connected persons of the Company. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 0.1% but all of them are less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since (i) Ms. YANG Huiyan is the controlling shareholder, the Co-Chairman and an executive director of CG Holdings, (ii) Mr. YANG Zhicheng is a regional President and an executive director of CG Holdings and a cousin of Ms. YANG Huiyan, and (iii) Ms. WU Bijun is the Vice President and the Chief Financial Officer of CG Holdings, all of them as Directors have abstained from voting at the Board meeting on the resolutions approving the Equity Transfer Agreement and the transactions contemplated thereunder to avoid any conflicts of interest.

GENERAL

The Company is an investment holding company and a leading service provider in comprehensive property management in the PRC with residential property as its major focus. Its subsidiaries are principally engaged in property management services, community value-added services, value-added services to non-property owners, “Three Supplies and Property Management” businesses, and city services. As at the date of this announcement, Ms. YANG Huiyan is indirectly interested in approximately 44.97% of the total issued share capital of the Company.

CG Holdings is one of the PRC’s largest residential property developers that capitalises on urbanization. With centralised management and standardization, the CGH Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The CGH Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses and condominiums, car parks and retail shop spaces. The CGH Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties’ marketability. The CGH Group’s other businesses are robotics and modern agriculture. As at the date of this announcement, Ms. YANG Huiyan, the controlling shareholder, Co-Chairman and an executive director of CG Holdings, holds approximately 62% of the total issued share capital of CG Holdings through an investment holding company which she entirely owns.

The Purchaser is an indirect non-wholly-owned subsidiary of the Company, indirectly held as to 85% by the Company and indirectly held as to 15% by Zhuhai Chuanghui Business Management Partnership Enterprise (Limited Partnership)* (珠海創暉商業管理合夥企業 (有限合夥)), and is principally engaged in the provision of business management and services.

The Vendor is an indirect wholly-owned subsidiary of CG Holdings and is principally engaged in property development.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

“Acquisition”	the acquisition of the Target Shares by the Purchaser from the Vendor pursuant to the Equity Transfer Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CG Holdings”	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)
“CGH Group”	CG Holdings and its subsidiaries
“Company”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), 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: 6098)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 5 August 2021 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Purchaser”	Zhuhai Shunhui Business Management Co., Ltd.* (珠海順暉商業管理有限公司), a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with a par value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Xin Biyuan Business Management Co., Ltd.* (上海新碧園商業管理有限公司), a company incorporated in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries as at the date of this announcement
“Target Shares”	the 100% equity interest in the Target Company to be acquired under the Equity Transfer Agreement
“Vendor”	Shanghai Xinbi Real Estate Development Co., Ltd.* (上海新碧房地產開發有限公司), a company incorporated in the PRC with limited liability
“%”	per cent

By order of the Board
Country Garden Services Holdings Company Limited
LI Changjiang
President and Executive Director

Foshan, China, 5 August 2021

As of the date of this announcement, the executive Directors are Mr. LI Changjiang (President), Mr. XIAO Hua and Mr. GUO Zhanjun. The non-executive Directors are Ms. YANG Huiyan (Chairman), Mr. YANG Zhicheng and Ms. WU Bijun. The independent non- executive Directors are Mr. MEI Wenjue, Mr. RUI Meng and Mr. CHEN Weiru.

* For identification purposes only