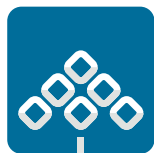


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碧桂园服务
COUNTRY GARDEN SERVICES

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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF APPROXIMATELY 1.49% EQUITY INTEREST
IN ZHUHAI WANDA**

THE DISPOSAL

On 24 September 2024, CGS HK (an indirect wholly-owned subsidiary of the Company) entered into a supplemental agreement with Zhuhai Wanying and Dalian Wanda, pursuant to which CGS HK has agreed to sell, and the Wanda Parties have agreed to acquire the Target Shares at a Consideration of RMB3,142,004,770.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

BACKGROUND

CGS HK, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Initial Investment Agreement**”) with the Wanda Parties and the Target Company on 6 July 2021, which was subsequently supplemented and amended by a supplemental agreement dated 18 August 2021 (the “**Supplemental Agreement (I)**”) (the Initial Investment Agreement as supplemented and amended by the Supplemental Agreement (I), the “**Existing Investment Agreement**”).

Pursuant to the Existing Investment Agreement, on 15 July 2021, CGS HK completed the purchase of 130,055,000 shares of the Target Company (representing approximately 1.79% of the total share capital of the Target Company) from Zhuhai Wanying at a consideration of RMB3,230,019,969 (the “**Initial Purchase Price**”).

On 13 December 2023, CGS HK entered into the Supplemental Agreement (II) with the Wanda Parties and the Target Company, pursuant to which the Wanda Parties shall, on its own or by a designated third party, acquire the shares of the Target Company held by CGS HK no later than 31 December 2024; and the consideration for such acquisition shall enable CGS HK to realise an annualized internal rate of return (IRR) of 8% after-tax as of the payment date of the consideration in respect of the transfer price paid by it to Zhuhai Wanying for the purchase of such shares of the Target Company in a manner as agreed in the Supplemental Agreement (II). Pursuant to the Supplemental Agreement (II), the aforesaid acquisition of shares of the Target Company is subject to the approval of CGS HK.

THE DISPOSAL

On 24 September 2024, CGS HK entered into the Supplemental Agreement (III) with the Wanda Parties, pursuant to which CGS HK has agreed to sell, and the Wanda Parties have agreed to acquire the Target Shares. The principal terms of the Supplemental Agreement (III) are summarised as follows:

Date: 24 September 2024 (after trading hours)

Parties: (a) CGS HK (an indirect wholly-owned subsidiary of the Company);
(b) Zhuhai Wanying; and
(c) Dalian Wanda.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Zhuhai Wanying and Dalian Wanda and their ultimate beneficial owner is an Independent Third Party.

Subject Matter and Consideration

Pursuant to the Supplemental Agreement (III), CGS HK has agreed to sell and the Wanda Parties have agreed to acquire the Target Shares, i.e. 107,945,650 shares of the Target Company, representing approximately 1.49% of the total share capital of the Target Company. Upon completion of the Disposal, CGS HK will still hold 22,109,350 shares in the Target Company, representing approximately 0.31% of the total share capital of the Target Company.

The Consideration for the Disposal is RMB3,142,004,770, which is determined in a manner as agreed in the Supplemental Agreement (II), so as to enable CGS HK to achieve a cash return calculated at an annualized IRR of 8% after-tax of the Initial Purchase Price for the Target Shares (i.e. RMB2,680,916,574) on the closing date for calculation of the Consideration as agreed in the Supplemental Agreement (III), which is also regarded as the "payment date of the consideration" under the Supplemental Agreement (II), after taking into account the dividends received by CGS HK on the Target Shares from the Target Company.

Terms of Payment

The Consideration shall be payable in cash by the designated transferee of the Wanda Parties to CGS HK in a US\$ equivalent amount of RMB3,142,004,770 (expected to be exchanged at the foreign exchange rate quoted by Bank of China on the payment date) within 10 working days from 27 September 2024.

In the event that the Wanda Parties fail to pay the Consideration within the aforesaid period due to reasons attributable to the foreign exchange administration, the Wanda Parties may, within 3 days after the expiry of the aforesaid period, request CGS HK or its designated party to open a RMB account in Mainland China, which will be supervised together with a party designated by the Wanda Parties (the “**Alternative Account**”). If the Wanda Parties deposit the Consideration in RMB into the Alternative Account within 3 days from the date of completion of the opening and escrow of the Alternative Account, it will not be considered as a breach of contract by the Wanda Parties. Upon the elimination of the aforementioned reasons for the Wanda Parties’ failure to pay the Consideration in US\$, all parties shall, as soon as possible, exchange the Consideration in the Alternative Account to US\$ in a manner complying with the requirements of the law and the relevant PRC governmental authorities and pay it to the account of CGS HK.

After arm’s length negotiation between the parties to the transaction in conjunction with the requirements of the relevant authorised regulators and financial institutions, CGS HK has agreed to transfer the Target Shares to Zhuhai Wanying prior to its receipt of the Consideration in order to ensure the successful payment of the Consideration.

Should the Wanda Parties fail to pay the Consideration within the agreed payment period and is overdue by more than three days, CGS HK shall have the right to request the return of the original shareholder certificate(s) issued by the Target Company in respect of the Target Shares held by the Wanda Parties, and to transfer the Target Shares back to CGS HK at the request of CGS HK, completing all necessary documents and information for the change in the register of members of the Target Company, while ensuring that the Target Company processes the change in the register of members. Additionally, if CGS HK coordinated in handling the registration or filing procedures with relevant government authorities or share custodian institutions in respect of the transfer of the Target Shares as requested by the Wanda Parties, the Wanda Parties shall complete the registration or filing procedures with the relevant government authorities or share custodian institutions to transfer the Target Shares back to CGS HK.

Should the Wanda Parties fail to pay the Consideration within the agreed payment period or fail to return the shares as stipulated above, the Wanda Parties shall pay a penalty at a rate of 0.01% per day of the Consideration for each day overdue; if it is overdue for more than 30 working days, the Wanda Parties shall additionally pay a penalty at a rate of 0.01% per day of the Consideration on top of the aforementioned penalty.

In the event of late payment of the Consideration by the Wanda Parties or their designated entities and the payment is still not completed by 30 December 2024, for the purpose of the Target Shares, CGS HK shall have the right to request the termination of the Supplemental Agreement (II) and the Supplemental Agreement (III), while all parties shall perform according to the provisions of the Existing Investment Agreement, including CGS HK's right to exercise the put option at any time pursuant to the Existing Investment Agreement to sell the Target Shares to the Wanda Parties upon the occurrence of any triggering event specified in the Existing Investment Agreement at a consideration equal to the sum of (i) the Initial Purchase Price; (ii) dividends on the Target Shares declared but not yet paid; and (iii) a return calculated at a 8% annual compound accumulative after-tax IRR of the Initial Purchase Price during the period from date on which CGS HK completes the acquisition of the Target Shares until the Consideration is fully paid by the Wanda Parties to CGS HK.

Pledge Guarantee of Shares

As stipulated in the Supplemental Agreement (II), Dalian Wanda agreed to provide a pledge guarantee to CGS HK or the third party entity designated by CGS HK with the 130,055,000 shares (representing approximately 1.79% of the total shares in issue of the Target Company) of the Target Company held by itself as security for the debts such as the payment of total acquisition price by the Wanda Parties under the Supplemental Agreement (II) (including the Consideration of the Disposal under the Supplemental Agreement (III) and the price for the acquisition of the remaining approximately 0.31% equity interest in the Target Company held by CGS HK, for a period of three years from the expiry date of obligation performance under the Supplemental Agreement (II). As at the date of this announcement, as the registration procedure for the above-mentioned share pledge has not been completed, the pledge has not yet come into effect. The Company is negotiating with the Wanda Parties on the registration of the pledge.

CGS HK is not entitled to the right of requiring Dalian Wanda to provide the pledge guarantee in respect of the Target Shares which have been acquired from the date of the actual payment of the Consideration for the Target Shares by the Wanda Parties or the designated transferee of the Wanda Parties.

FINANCIAL EFFECT OF THE DISPOSAL

The Company currently proposes to use the proceeds of Consideration from the Disposal for general working capital and other purposes as approved by the Board. After deducting the initial investment cost on the Target Shares recognised by the Company of approximately RMB2,680.92 million, the remaining Consideration (before deduction of professional fees and other related expenses in relation to the Disposal) of approximately RMB461.09 million (unaudited) will be credited to the retained profits of the Company, which is expected to result in an increase in net asset value (NAV) of the Group of approximately RMB461.09 million (unaudited). As the equity investment in the Target Company is recognised as an equity investment at fair value through other comprehensive income, the gain on the Disposal will not be included in profit or loss.

INFORMATION ON THE TARGET COMPANY

Zhuhai Wanda is a company established in the PRC with limited liability. The company and its subsidiaries are the largest commercial operational service provider in the PRC and a pioneer in technology-driven commercial management and digital operation, with a primary focus on commercial plazas. The commercial operational services of the company and its subsidiaries include (i) commercial management services, (ii) property management services and (iii) value-added services.

Set out below is a summary of the audited consolidated financial information of the Target Company for the two years ended 31 December 2022 and 2023 prepared in accordance with the PRC generally accepted accounting principles (GAAP):

	For the year ended 31 December	
	2022	2023
	<i>(RMB)</i>	<i>(RMB)</i>
Profit before tax	11,853,619,061.50	9,303,508,502.64
Profit after tax	9,565,594,043.72	7,533,827,732.20

The unaudited consolidated NAV of the Target Company as at 30 June 2024 in accordance with the PRC GAAP amounted to RMB9,454,380,648.33.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal represents a good opportunity for the Group to strategically focus and curtail its financial investments by selling back the shares in accordance with the investment exit schedule, which helps the Group to recover capital and concentrate on the operation of the Group's core businesses. In addition, compared to the acquisition date as agreed under the Supplemental Agreement (II) by the parties (i.e. no later than 31 December 2024), as a result of the Disposal, the Wanda Parties fulfil their obligations of acquiring the Target Shares under the Supplemental Agreement (II) in advance, which represents a good opportunity for the Group to realise the return on its investment.

In light of the foregoing, the Directors consider that the terms of the Disposal, which are determined after arm's length negotiations between the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

CGS HK is an indirect wholly-owned subsidiary of the Company and its subsidiaries are principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and “Three Supplies and Property Management” businesses (currently including property management services and heat supply business), city services and commercial operational services.

Zhuhai Wanying is a company established under the laws of the PRC with limited liability. It is primarily engaged in enterprise headquarters management, enterprise management consultancy and investment activities with its own funds. As at the date of this announcement, Zhuhai Wanying is a wholly-owned subsidiary of Dalian Wanda.

Dalian Wanda is a company established under the laws of the PRC with limited liability. As a commercial property holding and management operator of global scale, Dalian Wanda is principally engaged in businesses such as commercial complex management services, non-residential real estate leasing, property management, and planning and design management.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of directors
“CGS HK”	Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司), a company established in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Company”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司) (Stock Code: 6098), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	the consideration for the Target Shares in the amount of RMB3,142,004,770
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules

“Dalian Wanda”	Dalian Wanda Commercial Management Group Co., Ltd. (大連萬達商業管理集團股份有限公司), a company established under the laws of the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Shares by CGS HK to the Wanda Parties pursuant to the Supplemental Agreement (III)
“Existing Investment Agreement”	as defined in the section headed “Background” of this announcement
“Group”	the Company and its subsidiaries
“Independent Third Party”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Initial Investment Agreement”	as defined in the section headed “Background” of this announcement
“Initial Purchase Price”	as defined in the section headed “Background” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“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
“Supplemental Agreement (I)”	as defined in the section headed “Background” of this announcement

“Supplemental Agreement (II)”	the supplemental agreement dated 13 December 2023 entered into by CGS HK, the Wanda Parties and the Target Company
“Supplemental Agreement (III)”	the supplemental agreement dated 24 September 2024 entered into by CGS HK, the Wanda Parties and the Target Company in relation to the Disposal
“Target Company” or “Zhuhai Wanda”	Zhuhai Wanda Commercial Management Group Co., Ltd. (珠海萬達商業管理集團股份有限公司), a company established in the PRC with limited liability
“Target Shares”	the 107,945,650 shares of the Target Company held by CGS HK, representing approximately 1.49% of the total share capital of the Target Company
“Wanda Parties”	Zhuhai Wanying and Dalian Wanda
“working day(s)”	a day which is not a statutory holiday or public holiday in the PRC
“Zhuhai Wanying”	Zhuhai Wanying Enterprise Management Co., Ltd. (珠海萬贏企業管理有限公司), a company established in the PRC with limited liability

By order of the Board
Country Garden Services Holdings Company Limited
XU Binhuai
President and Executive Director

Foshan, China, 24 September 2024

As of the date of this announcement, the executive directors of the Company are Mr. XU Binhuai (President) and Mr. XIAO Hua. The non-executive director of the Company is Ms. YANG Huiyan (Chairman). The independent non-executive directors of the Company are Mr. MEI Wenjue, Mr. RUI Meng, Mr. CHEN Weiru and Mr. ZHAO Jun.