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COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED

碧桂園服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6098)

INSIDE INFORMATION ASSET IMPAIRMENT

This announcement is made by Country Garden Services Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

According to the recent review of the financial condition of the Group, and based on the principle of prudence, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that an impairment testing on goodwill has been conducted in accordance with the Hong Kong Financial Reporting Standards based on the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2024 (the “**Management Accounts**”), and impairment provisions from approximately RMB800 million to RMB1,100 million (the “**Impairment of Goodwill and Other Intangible Assets**”) are to be made for the asset with impairment indicators, namely Country Garden Manguo Environmental Technology Group Co., Ltd. (碧桂園滿國環境科技集團有限公司) (“**Manguo**”), which is a non-wholly owned subsidiary of the Company, in accordance with the results of the impairment testing.

The above event was mainly attributable to the fact that: (1) Manguo’s business expansion in previous years has not been carried out as scheduled and some existing business has been adjusted, leading to declines in revenues and profits, and (2) the long payment period of some customers of Manguo resulted in unsatisfactory cash flows.

The Impairment of Goodwill and Other Intangible Assets is a non-cash item and will not have an impact on the Group’s cash flow, operations and liquidity. Based on the Management Accounts, the Company preliminarily estimates that the net cash generated from operating activities will be approximately RMB3,300 million to RMB4,300 million. Besides, according to the Management Accounts, among the cash outflow from financing activities, an amount of approximately RMB1,700 million in aggregate was used for the payment of dividends to the shareholders of the Company, the payment of dividends to the non-controlling interests and the purchase of shares under the Company’s new share award scheme.

However, based on the Management Accounts, the Company expects that the net profit of the Group for the financial year ended 31 December 2024 will decrease by approximately RMB800 million to RMB1,100 million due to the Impairment of Goodwill and Other Intangible Assets, but such impairment will not be accounted for in the calculation of the core net profit* attributable to the owners of the Company.

The Group currently has adequate working capital and stable business operation and the above-mentioned matter will not affect the normal operation of the Group. The management of the Company is currently assessing the impact of the above-mentioned matter, especially its financial impact on the consolidated financial statements of the Group for the financial year ended 31 December 2024. The Board will keep monitoring the developments of the above-mentioned matter, and make further announcements on any material updates in due course.

It should be noted that the audited consolidated financial statements of the Company for the financial year ended 31 December 2024 (the “**Annual Results**”) are still under preparation. The information contained in this announcement is only based on the information currently available to the Group and the preliminary assessment made by the Board on the Management Accounts, which has not been confirmed, reviewed or audited by the auditors or the audit committee of the Company. Therefore, the actual Annual Results together with the relevant financial information may differ from the information disclosed in this announcement. The shareholders and potential investors of the Company are advised to read the Company’s annual results announcement for the year ended 31 December 2024 carefully, which is scheduled to be published in mid-to-late March 2025.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and securities of the Company.

* *Core net profit attributable to the owners of the Company excluding share-based payment expenses, unrealised gains or losses from financial assets at fair value through profit or loss, amortization charges of intangible assets – contracts and customer relationships and insurance brokerage licenses and brands arising from mergers and acquisitions and impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, losses from disposal of subsidiaries, expected credit losses on external guarantee, impairment of receivables from related parties and gains or losses on changes in fair value from the contingent consideration in respect of the performance undertakings of mergers and acquisitions.*

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

Foshan, China, 13 January 2025

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.