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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)**

### **CONNECTED TRANSACTION ACQUISITION OF 10% EQUITY INTEREST IN O-HOME TECHNOLOGY**

On 9 July 2018, CG Property Services (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement with CG Business Management (a wholly-owned subsidiary of CG Holdings), pursuant to which CG Business Management has agreed to sell and CG Property Services has agreed to acquire the Subject Interest, being 10% equity interest in O-Home Technology, for a consideration of RMB5,000,000 (equivalent to approximately HK\$5,915,410).

CG Property Services is a wholly-owned subsidiary of the Company. CG Business Management is wholly-owned by CG Holdings, a 30%-controlled company of Ms. YANG Huiyan. Ms. YANG Huiyan is also a non-executive Director and a substantial Shareholder of the Company. As such, CG Business Management is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) exceed 0.1% but are below 5%, the Acquisition is subject to reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 9 July 2018, CG Property Services (a wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement with CG Business Management (a wholly-owned subsidiary of CG Holdings), pursuant to which CG Business Management has agreed to sell and CG Property Services has agreed to acquire the Subject Interest, being 10% equity interest in O-Home Technology, for a consideration of RMB5,000,000 (equivalent to approximately HK\$5,915,410).

# **THE SHARE TRANSFER AGREEMENT**

## **Date**

9 July 2018

## **Parties**

Vendor: CG Business Management

Purchaser: CG Property Services

## **Assets to be acquired**

Pursuant to the Share Transfer Agreement, CG Business Management has agreed to sell and CG Property Services has agreed to acquire 10% equity interest in O-Home Technology.

## **Consideration**

The consideration for the Subject Interest is RMB5,000,000 (equivalent to approximately HK\$5,915,410), payable by CG Property Services to CG Business Management before 31 August 2018. The consideration is intended to be funded by own funds of CG Property Services.

The consideration was determined after arm's length negotiations between the parties to the Share Transfer Agreement after taking into consideration various factors, including but not limited to (i) the valuation of the net assets of O-Home Technology as at 31 December 2017; and (ii) the development potential of O-Home Technology.

## **INFORMATION OF O-HOME TECHNOLOGY**

O-Home Technology is a company incorporated in the PRC on 21 December 2016 with limited liability and a strategic business partner with CG Holdings. It is principally engaged in home Internet improvement business. Its current scope of business cover four major segments including hard-mount, soft-mount, smart home and home retail. As at the date of this announcement, O-Home Technology is held as to 10% by CG Business Management and the remaining 90% is held by third parties independent of and not connected with the Company and CG Holdings.

The key financial figures extracted from the unaudited consolidated account of O-Home Technology prepared in accordance with the China Accounting Standards for Business Enterprises for the financial year ended 31 December 2017 are set out as follows:

	<b>For the financial year ended 31 December 2017 (RMB) (approximately)</b>
Net loss before taxation	(96,729,660)
Net loss after taxation	(96,729,660)

The unaudited net assets value of O-Home Technology as at 31 December 2017 was approximately RMB-48,303,062 (equivalent to approximately HK\$-57,146,480).

The original cost to the Subject Interest paid by CG Business Management was RMB5,000,000 (equivalent to approximately HK\$5,915,410).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group serves as a platform for community services and is committed to serving property owners. Apart from its fundamental property services, the Group also provides a variety of value-added services. The Acquisition is beneficial to the layout of home-improvement business within the community and the expansion of scope of services of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Company and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

CG Property Services is a wholly-owned subsidiary of the Company. CG Business Management is wholly-owned by CG Holdings, a 30%-controlled company of Ms. YANG Huiyan. Ms. YANG Huiyan is also a non-executive Director and a substantial Shareholder of the Company. As such, CG Business Management is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) exceed 0.1% but are below 5%, the Acquisition is subject to reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since (i) Ms. YANG Huiyan is the controlling shareholder of CG Holdings and thus CG Business Management; (ii) Mr. YANG Zhicheng is an associate of Ms. YANG Huiyan; and (iii) Ms. WU Bijun is the vice president and chief financial officer of CG Holdings, they have all abstained from voting on the resolutions at the Board meeting to approve the Acquisition and the transactions contemplated thereunder to avoid any conflicts of interest.

## **GENERAL INFORMATION**

CG Property Services is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in property management business.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners.

CG Business Management is a wholly-owned subsidiary of CG Holdings principally engaged in the investment analysis, pre-positioning, business planning, start-up preparation and operation management of the more centralised and large-scale businesses of CG Holdings. CG Business Management is also engaged in the investment planning, pre-positioning, business planning of different kinds of community businesses and secondary investment promotion and operation management of the post-transfer community businesses of CG Holdings.

## **DEFINITIONS**

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

“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“Acquisition”	the proposed acquisition of the Subject Interest pursuant to the Share Transfer Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CG Business Management”	Guangzhou Country Garden Business Management Company Limited (廣州碧桂園商業管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CG Holdings

“CG Holdings”	Country Garden Holdings Company Limited, a 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)
“CG Property Services”	Guangdong Country Garden Property Services Co., Ltd. (廣東碧桂園物業服務股份有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Company”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), a 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
“Directors”	the directors of the Company
“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
“O-Home Technology”	Guangdong O-Home Technology Company Limited (廣東橙家科技有限公司), a company incorporated in the PRC on 21 December 2016 with limited liability and a strategic business partner with CG Holdings
“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)
“RMB”	Renminbi, the lawful currency of PRC
“Share Transfer Agreement”	the share transfer agreement entered into between CG Property Services and CG Business Management on 9 July 2018 in relation to the Acquisition
“Shareholder(s)”	shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Interest”	10% equity interest in O-Home Technology
“%”	per cent

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

Foshan, Guangdong Province, the PRC, 9 July 2018

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