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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)

DISCLOSEABLE TRANSACTION POTENTIAL ACQUISITION OF EQUITY INTEREST IN HOPEFLUENT GROUP HOLDINGS LIMITED

CONCERT GROUP AGREEMENT

On 15 April 2020, CG Property Services HK (an indirect wholly-owned subsidiary of the Company) entered into the Concert Group Agreement with China-net pursuant to which, in respect of the Offer Shares subject to the Offer, the parties have conditionally agreed that CG Property Services HK shall first accept and acquire the Offer Shares subject to the lower of (i) a maximum purchase amount of HK\$120,000,000 (excluding any stamp duty or other fees or expenses arising in connection with the acquisition of the Offer Shares); and (ii) a maximum number of 67,380,000 Offer Shares, and thereafter China-net shall accept and acquire the remaining Offer Shares.

As announced in the Joint Announcement, completion of the Share Purchase Agreements took place on 17 April 2020, and the offer price shall be HK\$1.50 per Offer Share. As such, CG Property Services HK shall first accept and acquire a maximum of 67,380,000 Offer Shares (representing less than 10% of the total issued Target Shares) at a maximum total consideration of HK\$101,070,000 pursuant to the Concert Group Agreement and the Offer.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Potential Acquisition exceed 5% but all of them are below 25%, the Potential Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 15 April 2020 (after trading hours), China-net entered into the Share Purchase Agreements pursuant to which China-net agreed to purchase a total of approximately 11.87% equity interest in the Target Group. Upon completion of the Share Purchase Agreements, China-net and its parties acting in concert with it own more than 50% of the total issued Target Shares, and China-net is required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory cash offer for all the issued Target Shares. Details of the Offer are further disclosed in the joint announcement of China-net, CG Property Services HK and the Target Group dated 28 April 2020 (the “**Joint Announcement**”).

On 15 April 2020 (after trading hours), CG Property Services HK (an indirect wholly-owned subsidiary of the Company) entered into the Concert Group Agreement with China-net in respect of the Offer Shares subject to the Offer, the principal terms of which are set out below.

PRINCIPAL TERMS OF THE CONCERT GROUP AGREEMENT

Date : 15 April 2020

Parties : (1) CG Property Services HK
(2) China-net

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, China-net and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

Subject to the completion of the Share Purchase Agreements, CG Property Services HK and China-net have conditionally agreed to accept and acquire the Offer Shares according to the following basis and proportion:

(A) CG Property Services HK shall first accept and acquire the Offer Shares subject to the lower of:
(i) a maximum purchase amount of HK\$120,000,000 (excluding any stamp duty or other fees or expenses arising in connection with the acquisition of the Offer Shares); and (ii) a maximum number of 67,380,000 Offer Shares; and

(B) thereafter China-net shall accept and acquire the remaining Offer Shares.

As announced in the Joint Announcement, completion of the Share Purchase Agreements took place on 17 April 2020, and the offer price shall be HK\$1.50 per Offer Share. As such, CG Property Services HK shall first accept and acquire a maximum of 67,380,000 Offer Shares (representing less than 10% of the total issued Target Shares) pursuant to the Concert Group Agreement and the Offer.

Consideration

The offer price per Offer Share is equal to the price per Target Share paid by China-net under the Share Purchase Agreements. On the basis of the offer price of HK\$1.50 per Offer Share, the maximum total consideration payable by CG Property Services HK under the Concert Group Agreement is HK\$101,070,000, which will be satisfied by its internal resources. The maximum number of Offer Shares and the maximum amount of fund that CG Property Services HK agreed to acquire and pay respectively were determined after arm's length negotiations with China-net with reference to the price paid per Target Share under the Share Purchase Agreements and prevailing market prices per Target Share.

INFORMATION ON THE TARGET GROUP

The Target Group is an investment holding. The Target Group and its subsidiaries are principally engaged in the provision of property real estate agency services and financial services.

Set out below is the key financial information of Target Group for each of the two years ended 31 December 2019 prepared under the Hong Kong Financial Reporting Standards from its published audited consolidated financial statements:

	For the year ended 31 December 2018 <i>HK\$'000</i> (Restated)	For the year ended 31 December 2019 <i>HK\$'000</i>
Profit before taxation and extraordinary items	591,922	640,793
Profit for the year	453,570	700,085

The audited consolidated net asset value of the Target Group as at 31 December 2019 amounted to approximately HK\$4,372,578,000.

Upon completion of the Potential Acquisition, the Company may own indirectly less than 10% of the equity interest in the Target Group and the financial information of the Target Group will not be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

The Group expects that the Potential Acquisition will create financial revenue for the Group, and at the same time, the Group actively explores wider and deeper business cooperation opportunities with the Target Group from time to time.

The Directors consider that the terms of the Potential Acquisition and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Potential Acquisition exceed 5% but all are below 25%, the Potential Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The Company is an investment holding company. The 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 and provision of heat supply services in the PRC.

CG Property Services HK is an indirect wholly-owned subsidiary of the Company established in Hong Kong with limited liability and an investment holding company, together with its subsidiaries, principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners and provision of heat supply services in the PRC.

China-net is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, China-net's sole director and sole shareholder is Mr. FU Wai Chung, the chairman and an executive director of the Target Group.

Further announcement(s) regarding the Potential Acquisition will be made by the Company as and when appropriate.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	has the meaning ascribed to it under the Takeovers Code
“CG Property Services HK”	Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“China-net”	China-net Holding Ltd., a company incorporated in the British Virgin Islands with limited liability

“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)
“Concert Group Agreement”	the Concert Group Agreement dated 15 April 2020 entered into between CG Property Services HK and China-net in respect of the Offer
“connected person(s)”	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
“Offer”	the unconditional mandatory cash offer to be made by ABCI Capital Limited, for and on behalf of the Offerors, to acquire all of the Offer Shares in accordance with the terms and conditions set out in the Joint Announcement
“Offerors”	the Company and China-net
“Offer Share(s)”	Target Share(s) (other than those already owned and/or agreed to be acquired by the Offerors and/or parties acting in concert with any of them) that are subject to the Offer
“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)
“Potential Acquisition”	the potential acceptance and acquisition of the Offer Shares by CG Property Services HK
“Share Purchase Agreements”	the agreements dated 15 April 2020 entered into between China-net and the Vendors in respect of the acquisition of approximately 11.87% equity interest in the Target Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Target Group”	Hopefluent Group Holdings Limited (合富輝煌集團控股有限公司), 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: 733)
“Target Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Target Group
“Vendors”	has the meaning as defined in the Joint Announcement
“%”	per cent

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

Hong Kong, 28 April 2020

As of the date of this announcement, the executive Directors are Mr. LI Changjiang, 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.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.