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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 IN RELATION TO THE CAPITAL INJECTION INTO STRAIT ENERGY TECHNOLOGY

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that, on 6 November 2020 (after trading hours), CG Life Services, an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Ningbo Yuyou Partnership, Strait Energy Investment, Beijing Jun'an, Beijing Lande Hongye, Chengdu Partnership and Strait Energy Technology in relation to the capital injection into Strait Energy Technology, pursuant to which (among other things) CG Life Services will make a capital injection in the amount of RMB140 million to Strait Energy Technology.

Upon completion of the Capital Injection, the Group will hold 25.78% equity interest in Strait Energy Technology through CG Life Services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Strait Energy Investment holds 20% equity interest in Baoshihua Home Investment Management Company Limited* (寶石花家園投資管理有限公司), a subsidiary of the Company, and Strait Energy Technology is a subsidiary of Strait Energy Investment. As such, Strait Energy Investment and Strait Energy Technology are connected persons of the Company at the subsidiary level. Mr. LI Changjiang, Mr. GUO Zhanjun and Mr. XIAO Hua, being executive Directors of the Company, are connected persons of the Company. All of them are limited partners of Ningbo Yuyou Partnership (with capital contribution percentages in Ningbo Yuyou Partnership of 9.25%, 4.5% and 2.5%, respectively). The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Injection Agreement and the transaction contemplated thereunder are more than 0.1% but are all less than 5%, they are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

As the exercise of the Repurchase Option is at the discretion of the Group in accordance with the Capital Injection Agreement, the acceptance of the Repurchase Option is classified based on the amount of premium payable by the Group pursuant to Rule 14A.79(2) of the Listing Rules. As the Group is not required to pay any premium for the acceptance of the Repurchase Option, the acceptance of the Repurchase Option constitutes a fully exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval and all disclosure requirements.

The Board is pleased to announce that, on 6 November 2020 (after trading hours), CG Life Services, an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Ningbo Yuyou Partnership, Strait Energy Investment, Beijing Jun'an, Beijing Lande Hongye, Chengdu Partnership and Strait Energy Technology in relation to the capital injection into Strait Energy Technology, pursuant to which (among other things) CG Life Services agreed to make a capital injection in the amount of RMB140 million to Strait Energy Technology. The principal terms of the Capital Injection Agreement are set out below.

PRINCIPAL TERMS OF THE CAPITAL INJECTION AGREEMENT

Date : 6 November 2020

Parties : (1) CG Life Services
(2) Strait Energy Investment
(3) Beijing Jun'an
(4) Beijing Lande Hongye
(5) Chengdu Partnership
(6) Ningbo Yuyou Partnership
(7) Strait Energy Technology

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed in the paragraph headed "General Information" in this announcement, the parties to the Capital Injection Agreement and their respective ultimate beneficial owners are all third parties independent of the Company and its connected persons.

Consideration of the Capital Injection

In accordance with the Capital Injection Agreement, CG Life Services will make a capital contribution of RMB140 million to Strait Energy Technology, of which RMB19.2791 million will be utilized to increase the registered capital of Strait Energy Technology and RMB120.7209 million will be transferred to the capital reserve of Strait Energy Technology. The consideration of the Capital Injection shall be paid with the internal funds of the Group.

The Capital Injection was carried out through public listing and quote solicitation on the China Beijing Equity Exchange. The consideration of the Capital Injection was determined following arm's length negotiations between the parties, taking into account various factors including the status and future growth potential of the oil and gas engineering technical service market, the industry position, historical financial performance, profitability and growth potential of Strait Energy Technology, and the price-to-earnings multiples of merger and acquisition cases in the same industry.

Payment Terms

CG Life Services has made a deposit in the amount of RMB30 million to the China Beijing Equity Exchange, which will be applied towards partial settlement of the consideration of the Capital Injection and be transferred by the China Beijing Equity Exchange to the account as designated by Strait Energy Technology. CG Life Services will make a lump-sum payment in cash for the remaining balance of the consideration of the Capital Injection to the account as designated by Strait Energy Technology within 5 Working Days after the signing of the Capital Injection Agreement.

Registered Capital of Strait Energy Technology Held by the Parties to the Capital Injection Agreement and Their Respective Percentages

| Parties to the Capital Injection Agreement | As at the date of this announcement | | Immediately following the Capital Injection | |
|--|-------------------------------------|-------------|---|-------------|
| | Registered capital (RMB0'000) | Percentage | Registered capital (RMB0'000) | Percentage |
| Strait Energy Investment | 2,550 | 51% | 2,550 | 34.10% |
| CG Life Services | — | — | 1,927.91 | 25.78% |
| Beijing Jun'an | 1,250 | 25% | 1,250 | 16.71% |
| Chengdu Partnership | 800 | 16% | 800 | 10.70% |
| Ningbo Yuyou Partnership | — | — | 550.40 | 7.36% |
| Beijing Lande Hongye | 400 | 8% | 400 | 5.35% |
| Total: | 5,000 | 100% | 7,478.31 | 100% |

Repurchase Option

If Strait Energy Technology fails to become listed within the period agreed in the Capital Injection Agreement, the Investors may request Strait Energy Technology to refund their capital contribution in full (the “**Repurchase Option**”) at the agreed price (the “**Repurchase Price**”). Strait Energy Technology and the related persons of Strait Energy Technology as designated by CG Life Services have undertaken to agree that Strait Energy Technology will meet the aforesaid repurchase request in compliance with the relevant laws and regulations. The Repurchase Price shall be the consideration of the Capital Injection actually paid by the Investors, plus the capital cost calculated at an annual interest rate agreed by the parties to the Capital Injection Agreement, and less the capital cost of the dividends received by the Investors (but not in excess of the consideration of the Capital Injection actually paid), and shall be payable by Strait Energy Technology or the related persons of Strait Energy Technology as designated by CG Life Services in full in cash.

INFORMATION ON STRAIT ENERGY TECHNOLOGY

Strait Energy Technology is a company with limited liability established in the PRC in November 2017. It is principally engaged in the provision of integrated intelligent optimization services for well drilling and completion, as well as the production and distribution of quartz sand proppants, and is committed to oil and gas exploration and development to lower cost and increase efficiency.

Financial Information

The key financial information of Strait Energy Technology for each of the two years ended 31 December 2019 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

| | <i>Currency: RMB in million</i> | |
|------------------------|--|--|
| | For the year ended 31 December 2018 (unaudited) | For the year ended 31 December 2019 (unaudited) |
| Profit before taxation | 9.76 | 37.08 |
| Profit after taxation | 8.54 | 30.67 |

The unaudited net assets of Strait Energy Technology as at 31 December 2019 were approximately RMB119.49 million.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION AGREEMENT

The Group's existing businesses cover the "Three Supplies and Property Management" businesses in the petroleum and petrochemical industry (currently including property management services and heat supply business). The Group is optimistic about the future development potential and financial return of the oil and gas related industry chain and seeks the opportunities for increasing potential business synergies and the cooperation in facilities and equipment management. The oil and gas engineering technical service market in which Strait Energy Technology operates has a large scale. Strait Energy Technology occupies a leading position in a niche market segment of the oil and gas area with great growth potential. Through the equity investment in Strait Energy Technology, the Group wishes to share its future financial benefits, to help increase the reserves and production of oil and gas in the PRC, and to safeguard national energy security.

The Directors, including independent non-executive Directors, are of the view that the Capital Injection Agreement was entered into in the ordinary and usual course of business of the Company on normal commercial terms, and that its terms are fair and reasonable and in the interest of the Company and its shareholders as a whole.

As Mr. LI Changjiang, Mr. GUO Zhanjun and Mr. XIAO Hua are all partners of Ningbo Yuyou Partnership, they have all abstained from voting on the resolution(s) for approving the Capital Injection Agreement at the meeting of the Board.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Strait Energy Investment holds 20% equity interest in Baoshihua Home Investment Management Company Limited, a subsidiary of the Company, and Strait Energy Technology is a subsidiary of Strait Energy Investment. As such, Strait Energy Investment and Strait Energy Technology are connected persons of the Company at the subsidiary level. Mr. LI Changjiang, Mr. GUO Zhanjun and Mr. XIAO Hua, being executive Directors of the Company, are connected persons of the Company. All of them are limited partners of Ningbo Yuyou Partnership (with capital contribution percentages in Ningbo Yuyou Partnership of 9.25%, 4.5% and 2.5%, respectively). The transaction contemplated under the Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Injection Agreement and the transaction contemplated thereunder are more than 0.1% but are all less than 5%, they are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

As the exercise of the Repurchase Option is at the discretion of the Group in accordance with the Capital Injection Agreement, the acceptance of the Repurchase Option is classified based on the amount of premium payable by the Group pursuant to Rule 14A.79(2) of the Listing Rules. As the Group is not required to pay any premium for the acceptance of the Repurchase Option, the acceptance of the Repurchase Option constitutes a fully exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval and all disclosure requirements.

GENERAL INFORMATION

The Company is an investment holding company and a leading service provider in comprehensive property management in China 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 and “Three Supplies and Property Management” businesses (currently including property management services and heat supply business).

CG Life Services is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and heat supply services.

Strait Energy Investment is a company with limited liability established in accordance with the laws of the PRC and a wholly-owned subsidiary of Strait Energy Limited. It is principally engaged in equity investment and equity management. The beneficial owners of Strait Energy Limited are China National Petroleum Corporation (as to 40%), COSCO SHIPPING Development Co., Ltd. (listed on the Main Board of the Stock Exchange (stock code: 2866) and the Shanghai Stock Exchange (stock code: 601866)) (as to 10%), One Choice Holdings Limited (as to 30%) and China Alcohol Limited (as to 20%). The ultimate beneficial owners of One Choice Holdings Limited are two individuals (as to 92.5% and 7.5%, respectively), which are third parties independent of the Company and its connected persons. The beneficial owners of China Alcohol Limited are YANG Naiguang (as to 1%), TANG Xiaosen (as to 3%), Joy Nice Group Limited (as to 90%), Lam Jingjing (as to 3.15%), LI Gang (as to 1.6%) and WU Fred Fong (as to 1.25%). The ultimate beneficial owners of Joy Nice Group Limited are three individuals (as to 55%, 10% and 35%, respectively), which are third parties independent of the Company and its connected persons.

Beijing Jun’an is a company with limited liability established in accordance with the laws of the PRC and is principally engaged in the provision of technology promotion services and business management consulting. Its ultimate beneficial owners are ZHU Xuelin (as to 60%) and JIA Yi (as to 40%).

Chengdu Partnership is a limited partnership enterprise established in accordance with the laws of the PRC and is principally engaged in equity investment and equity management. Its limited partner is CHEN Guofang (as to 99% of total capital contribution) and its executive partner and general partner is WANG Xin (as to 1%).

Beijing Lande Hongye is a company with limited liability established in accordance with the laws of the PRC and is principally engaged in the provision of technology promotion services, technical consulting and technology import and export, etc. Its ultimate beneficial owners are YANG Erqiang (as to 51%) and ZHANG Fuxiang (as to 49%).

Ningbo Yuyou Partnership is a limited partnership enterprise established in accordance with the laws of the PRC and is principally engaged in the provision of information consulting services, enterprise management and enterprise management consulting, etc. Its general partners are RU Dengxia (as to 50% of total capital contribution) and HUANG Mingfeng (as to 2%). Its limited partners are XIE Qing (as to 13.75% of total capital contribution), LI Changjiang (as to 9.25%), GUO Zhanjun (as to 4.5%), XIA Xiaonan (as to 4.5%), YUAN Hongkai (as to 4.5%), HUANG Peng (as to 4.5%), XU Binhuai (as to 4.5%) and XIAO Hua (as to 2.5%). LI Changjiang, GUO Zhanjun and XIAO Hua are executive Directors of the Company, while HUANG Mingfeng, XIA Xiaonan, YUAN Hongkai, HUANG Peng and XU Binhuai are employees of the Company.

DEFINITIONS

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

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| “Beijing Jun'an” | Beijing Jun'an Petroleum Technology Co., Ltd.* (北京駿安石油技術有限公司), a company with limited liability established in accordance with the laws of the PRC |
| “Beijing Lande Hongye” | Beijing Lande Hongye Petroleum Drilling & Exploration Technology Service Co., Ltd.* (北京蘭德宏業石油鑽採技術服務有限公司), a company with limited liability established in accordance with the laws of the PRC |
| “Board” | the board of Directors |
| “Capital Injection” | the making of a capital contribution by CG Life Services to Strait Energy Technology in the amount of RMB140 million in accordance with the Capital Injection Agreement |
| “Capital Injection Agreement” | the capital injection agreement dated 6 November 2020 entered into among CG Life Services, Ningbo Yuyou Partnership, Strait Energy Investment, Beijing Jun'an, Beijing Lande Hongye, Chengdu Partnership and Strait Energy Technology in relation to (among other things) the Capital Injection |
| “CG Life Services” | Country Garden Life Services Group Co., Ltd.* (碧桂園生活服務集團股份有限公司), a joint-stock company with limited liability established in accordance with the laws of the PRC and an indirect wholly-owned subsidiary of the Company |
| “Chengdu Partnership” | Chengdu Ruichi Guangrong Equity Investment Management Partnership (Limited Partnership)* (成都瑞持廣融股權投資管理合夥企業(有限合夥)), a limited partnership enterprise established in accordance with the laws of the PRC |

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| “Company” | Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6098) |
| “connected person(s)” | has the meanings ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Investors” | CG Life Services and Ningbo Yuyou Partnership |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Ningbo Yuyou Partnership” | Ningbo Yuyou Information Consulting Partnership (Limited Partnership)* (寧波裕油信息諮詢合夥企業(有限合夥)), a limited partnership enterprise established in accordance with the laws of the PRC |
| “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) |
| “Repurchase Price” | has the meanings ascribed to it under the paragraph headed “ <i>Principal terms of the Capital Injection Agreement — Repurchase Option</i> ” in this announcement |
| “Repurchase Option” | has the meanings ascribed to it under the paragraph headed “ <i>Principal terms of the Capital Injection Agreement — Repurchase Option</i> ” in this announcement |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Strait Energy Investment” | Strait Energy (Beijing) Intercontinental Investment Co., Ltd.* (洲際海峽能源投資(北京)有限公司), a company with limited liability established in accordance with the laws of the PRC |
| “Strait Energy Technology” | Strait Energy Intercontinental Technology Co., Ltd. *(洲際海峽能源科技有限公司), a company with limited liability established in accordance with the laws of the PRC |

“Working Day(s)” the statutory working days in the PRC

“%” per cent

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

Foshan, China, 6 November 2020

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.

* *For identification purpose only*