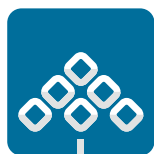


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碧桂园服务
COUNTRY GARDEN SERVICES

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)

**CONTINUING CONNECTED TRANSACTIONS
— PROPERTY LEASE AND
BUSINESS MANAGEMENT SERVICES; AND
CONNECTED TRANSACTIONS — EQUITY ACQUISITIONS**

**CONTINUING CONNECTED TRANSACTIONS — PROPERTY LEASE
AND BUSINESS MANAGEMENT SERVICES**

On 13 April 2021 (after trading hours), the Company entered into the Framework Agreements with CG Holdings:

- (1) the Property Lease Framework Agreement, which sets out the principal terms for the lease of properties by the CGH Group (as lessor) to the Group (as lessee), for a term from 13 April 2021 until 31 December 2023; and
- (2) the Business Management Service Framework Agreement, which sets out the principal terms for the provision of business management services by the Group to the CGH Group, for a term from 13 April 2021 until 31 December 2023.

CONNECTED TRANSACTIONS — EQUITY ACQUISITIONS

On 13 April 2021 (after trading hours), subsidiaries of the Company entered into the following Equity Transfer Agreements with subsidiaries of CG Holdings:

- (1) Guizhou Shunhui, an indirect non-wholly-owned subsidiary of the Company (as purchaser), and Guiyang Trade City, an indirect subsidiary of CG Holdings (as vendor), entered into the Trade City Operation and Management Equity Transfer Agreement, pursuant to which Guizhou Shunhui agreed to acquire and Guiyang Trade City agreed to sell 100% equity interest in Trade City Operation and Management at a consideration of RMB9.2 million.

- (2) Guizhou Shunhui (as purchaser) and Guiyang Trade City (as vendor) entered into the Guizhou Hongtai Equity Transfer Agreement, pursuant to which Guizhou Shunhui agreed to acquire and Guiyang Trade City agreed to sell 100% equity interest in Guizhou Hongtai at a consideration of RMB2 million.
- (3) Guangzhou Qinghui, an indirect non-wholly-owned subsidiary of the Company (as purchaser) respectively entered into the Guangzhou Smart City Investment Equity Transfer Agreements with Shenzhen Bigui Technology, an indirect wholly-owned subsidiary of CG Holdings, and Guangzhou Bicheng, an Independent Third Party (as vendors), pursuant to which Guangzhou Qinghui agreed to acquire and Shenzhen Bigui Technology and Guangzhou Bicheng agreed to sell a total of 100% equity interest in Guangzhou Smart City Investment at a total consideration of RMB1.6 million.

Upon completion of the Trade City Operation and Management Acquisition, the Guizhou Hongtai Acquisition and the Guangzhou Smart City Investment Acquisition, Trade City Operation and Management, Guizhou Hongtai and Guangzhou Smart City Investment will become wholly-owned subsidiaries of the Group, and their results, assets and liabilities will be consolidated into the accounts of the Group.

- (4) Shenzhen Guanhui, an indirect non-wholly-owned subsidiary of the Company (as purchaser) and Dongguan CG (as vendor), an indirect non-wholly-owned subsidiary of CG Holdings, entered into the Shenzhen CG Business Management Equity Transfer Agreement, pursuant to which Shenzhen Guanhui agreed to acquire and Dongguan CG agreed to sell 50% equity interest in Shenzhen CG Business Management at a consideration of RMB7.2 million.

Upon completion of the Shenzhen CG Business Management Acquisition, the Company will indirectly hold 50% equity interest in Shenzhen CG Business Management.

As Zhuhai Chuangyi LP, a shareholder of Shenzhen CG Business Management holding its 6% equity interest, entered into a letter of statement of acting in concert dated 13 April 2021 with Shenzhen Guanhui, pursuant to which Zhuhai Chuangyi LP agreed to take concerted actions, follow the opinions of Shenzhen Guanhui and express intentions consistent with that of Shenzhen Guanhui in the voting matters at the general meetings of Shenzhen CG Business Management, upon completion of the Shenzhen CG Business Management Acquisition, Shenzhen CG Business Management will become a non-wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, CG Holdings and its subsidiaries are associates of Ms. YANG Huiyan and thus connected persons of the Company. As such, the transactions contemplated under the Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Property Lease Framework Agreement, as one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap for the total right-of-use assets relating to the leases to be entered into thereunder exceed 0.1% but all of them are less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, pursuant to Rule 14A.52 of the Listing Rules, as the term of the individual lease contracts under the Property Lease Framework Agreement may exceed 3 years, the Company has appointed Red Sun Capital as the Independent Financial Adviser to review the Property Lease Framework Agreement, to explain the reasons for the individual lease contracts thereunder to be of a longer term, and to confirm that it is a normal business practice for contract(s) of this type to be of such a duration.

In respect of the Business Management Service Framework Agreement, as one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap exceed 0.1% but all of them are less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Equity Transfer Agreements, under Rule 14A.81 of the Listing Rules, the applicable percentage ratios in respect of the Equity Transfer Agreements shall be aggregated. As one or more of the applicable percentage ratios (as defined under the Listing Rules) on an aggregated basis are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) CONTINUING CONNECTED TRANSACTIONS — PROPERTY LEASE

On 13 April 2021 (after trading hours), the Company and CG Holdings entered into the Property Lease Framework Agreement. During the term of the Property Lease Framework Agreement, members of the CGH Group may from time to time enter into individual lease contracts with members of the Group for the lease of properties to the Group in accordance with the principal terms of the Property Lease Framework Agreement, the principal terms of which are set out as follows.

Date	:	13 April 2021
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 13 April 2021 until 31 December 2023
Subject matter	:	Lease of properties by the CGH Group (as lessor) to the Group (as lessee), including office space, shops, parking lots, etc. Each lease term shall not be more than 10 years.

The leased properties shall be for commercial service use. During the lease term, the lessee shall have the right to (i) use and conduct business management of the leased properties in a lawful form (including but not limited to subletting part of the leased properties); (ii) assign part of its rights and/or obligations to third parties; and (iii) name the leased properties.

During the lease term, (i) the CGH Group is responsible for the maintenance and repairment of the leased equipment and facilities during the maintenance period, and shall bear the corresponding expenses; (ii) in case the main structure of the leased property exists or incurs damage or malfunction hindering its safe and normal usage, the CGH Group shall be responsible for repairment; (iii) in case the government authority raises any request for modification on the planning of the leased property or the CGH Group for any reason needs to conduct repairment and alternation of the leased property in whole or in part, the CGH Group shall only make modification upon reaching unanimous agreement with the Group, and the CGH Group shall bear the obligations and expenses so incurred; and (iv) the Group shall bear the obligation of daily repair and maintenance of the leased properties at its own cost.

Pricing	:	The rent shall be payable by the lessee to the corresponding lessor in the form of fixed rent. A rent-free period ranging from one month to six months shall be given in view of the specific status of the leased properties when entering into the lease contract.
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The rent shall be determined by the lessor and the lessee after arm's length negotiations with reference to the previous or ongoing lease contracts of the parties (if any), market rent for similar properties and other factors (such as the gross floor area, the location and the type of the properties to be leased). From the perspective of the Group, the rent per unit area shall not be higher than the price at which the lessee leases the properties in the same area from Independent Third Parties. From the perspective of the CGH Group, the rent per unit area shall not be lower than the price at which the lessor leases the properties in the same area to Independent Third Parties. The lease contracts shall be carried out on normal commercial terms.

Payment terms : The lessee shall pay rent on schedule (the payment cycle shall be subject to the property lease contracts to be entered into for specific projects).

Annual caps and basis of determination

Under HKFRS No. 16, the rent payable by the Group pursuant to the lease contracts under the Property Lease Framework Agreement is in capital nature and shall be recognised as the right-of-use assets of the Group on the date of commencement of the lease term.

The Group proposes that the total amount recognised as the right-of-use assets of the Group under the Property Lease Framework Agreement for each of the three years ending 31 December 2023 shall not exceed the following proposed annual caps:

Relevant financial year	For the year ending 31 December		
	2021 (RMB)	2022 (RMB)	2023 (RMB)
Proposed annual cap	1,500 million	1,400 million	700 million

The above proposed annual caps were determined after taking into account the following: (i) the weighted average incremental borrowing rate applied to lease liabilities; (ii) the lease term of the lease contracts expected to be entered into during the three years ending 31 December 2023 and the rent for the relevant leased properties payable by the Group to the CGH Group; (iii) the expected rent level in the relevant property market; and (iv) the buffer for the unexpected increase in the lease demand for properties of the CGH Group and the rent level in the relevant property market.

REASONS FOR AND BENEFITS OF THE PROPERTY LEASE FRAMEWORK AGREEMENT

Through a flexible operation model and comprehensive services, the commercial property leasing business of the Group, under which the Group manages and operates commercial properties leased from the property owners, provides customers with high-quality service experience, provides tenants with effective management services and achieves the preservation and appreciation of values of commercial properties for property owners, which in turn will maximise the project revenue. As a long-term development strategy of the Group, the Group intends to provide commercial property leasing services to projects with strong growth potential, including projects of the CGH Group. The Company believes that with the long-term steady cooperation with the CGH Group and by extending the whole value chain services, the Group can improve its operation service level and generate great synergies, which will further promote the steady business growth of the Group and thereby expand the Group's total revenue.

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

Opinion of Red Sun Capital

The term of the individual lease contracts under the Property Lease Framework Agreement may exceed 3 years. Pursuant to Rule 14A.52 of the Listing Rules, Red Sun Capital has formulated its opinion based on its research and analysis and its discussion with the management of the Company (the “**Management**”) as follows:

- (i) the Group is a leading service provider in comprehensive property management in the PRC and provides property management services as well as other value-added services to residential as well as commercial property owners. In addition, under the commercial property leasing business of the Group, it manages and operates commercial properties leased from property owners. In this connection, the Management is of the view and Red Sun Capital concurs, that entering into the leases by the Group pursuant to the Property Lease Framework Agreement are in the ordinary and usual course of the Group;
- (ii) CG Holdings is one of the PRC's largest residential property developers and the CGH Group primarily operates a range of businesses, including property development, construction, interior decoration, property investment, and the development and management of hotels. In addition, the CGH Group also maintains a portfolio of investment properties;
- (iii) it is not uncommon for owners of commercial properties to carry out strategic planning, internally or through engaging relevant professional parties, with a view to maximise the overall return of their commercial properties. As advised by the Management, through a flexible operation model and provision of comprehensive property management and other value-added services under the Group's commercial property leasing business model, the Group manages and operates commercial properties leased from the property owners with a view to enhance the overall values of commercial properties for property owners, which in turn shall maximise the subject project revenue;

- (iv) the leases under the Property Lease Framework Agreement provide the Company with a long-term steady cooperation with the CGH Group, enabling the Group to (a) extend its value chain services to manage and operate commercial properties leased from the property owners; (b) improve its operation service level; (c) generate synergies between its service lines; and (d) generate stable rental income from tenants through subletting, thereby nurturing further business growth of the Group and broaden the Group's revenue base;
- (v) given (a) the CGH Group has a strong brand in the PRC market, and that the Management expects the properties to be considered under the Property Lease Framework Agreement to be reputable assets; and (b) the Group is expected to be a lessee for the subject properties of the CGH Group, the Group's role as the lessee of these properties in the market shall further enhance the Group's reputation and track record, thereby increasing the Group's competitiveness in the respective areas going forward;
- (vi) it is not uncommon to enter into long-term leases for leasing commercial properties in the PRC;
- (vii) as stated in this announcement, the rent shall be determined by the lessor and the lessee after arm's length negotiations with reference to the previous or ongoing lease contracts of the parties (if any), market rent for similar properties and other factors (such as the gross floor area, the location and the type of the properties to be leased). From the perspective of the Group, the rent per unit area shall not be higher than the price at which the lessee leases the properties in the same area from Independent Third Parties. The lease contracts shall be carried out on normal commercial terms;
- (viii) having identified and reviewed not less than 10 market lease transactions relating to the leasing of commercial/retail/other properties with contract terms ranging from not less than 4 years and up to 20 years, entered into by member(s) of a listed group on the Stock Exchange and was effective as at the date of this announcement (the "**Market Lease Transactions**"), the lease term of individual leasing contracts contemplated under the Property Lease Framework Agreement, which is up to 10 years, falls within the range of the Market Lease Transactions; and
- (ix) as advised by the Management, it is the CGH Group's usual practice to offer long-term leases of over three years. Red Sun Capital has obtained and reviewed samples of lease contract for the leasing of commercial/retail/other properties entered into between members of the CGH Group and (a) its connected parties; or (b) independent third parties. Based on its review of the abovementioned sample contacts, Red Sun Capital noted that the lease term of the sampled contracts ranged from not less than 12 years to not more than 20 years, of which the proposed lease term for the transactions to be conducted under the Property Lease Framework Agreement falls within such range.

Having considered the factors set out above, Red Sun Capital is of the view that the duration of the transaction contemplated under the Property Lease Framework Agreement requires a period for longer than three years and that it is normal business practice for agreements of this type to be of such duration.

(2) CONTINUING CONNECTED TRANSACTIONS — BUSINESS MANAGEMENT SERVICES

On 13 April 2021 (after trading hours), the Company and CG Holdings entered into the Business Management Service Framework Agreement. During the term of the Business Management Service Framework Agreement, members of the Group may from time to time enter into individual service contracts with members of the CGH Group for the provision of business management services to the CGH Group in accordance with the principal terms of the Business Management Service Framework Agreement, the principal terms of which are set out as follows.

Date	:	13 April 2021
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 13 April 2021 until 31 December 2023
Services to be provided	:	Provision of business planning and consulting, business solicitation, operation and planning services by the Group to the CGH Group. The end of the service term of individual service contracts shall not be later than 31 December 2023.
Pricing	:	The service fee shall be determined following arm's length negotiations with reference to the previous or ongoing similar service contracts of the parties, if any, and the market service fees of the relevant projects. From the perspective of the Group, the service fee shall not be lower than the price at which the Group provides similar business management services to Independent Third Parties under the same conditions. From the perspective of the CGH Group, the service fee shall not be higher than the price paid by the CGH Group for the appointment of Independent Third Parties to provide business management services under the same conditions. Individual service contracts shall be carried out on normal commercial terms.

The service fee has included the labour cost and taxation expenses required for the implementation of individual service contracts. The actual fees (including (1) all expenses necessary for obtaining the ownership, use rights and income rights of the project; (2) all expenses necessary for the construction, maintenance, modification and alternation of the project; (3) expenses for the purchase of insurance; (4) the maintenance expense for the security, cleaning and public facilities and equipment of the project; (5) promotion expense (including but not limited to media promotion expense, material production expense, corporate promotion expense etc.); (6) various expenses incurred in the process of customers reception (expenses incurred between the Group and target corporations), including travelling expense, transportation expense, hotel accommodation expense, catering and entertainment expense; and (7) other expenses not to be borne by the Group necessary for the operation of the project, excluding service fee) to be borne by the CGH Group shall be agreed by the parties in individual service contracts according to project conditions.

Payment terms : The exact timing and method of payment for each project shall be agreed by the parties with reference to market practice and based on the characteristics and cycles of various business management services, but shall be in line with the standard payment terms under which the Group provides services to Independent Third Parties or the CGH Group engages Independent Third Parties to provide services under similar conditions and market practice.

Annual caps and basis of determination

The fees payable by the CGH Group to the Group under the Business Management Service Framework Agreement for each of the three years ending 31 December 2023 shall not exceed the following proposed annual caps (excluding tax):

Relevant financial year	For the year ending 31 December		
	2021	2022	2023
	(RMB)	(RMB)	(RMB)
Proposed annual cap	420 million	450 million	480 million

The above proposed annual caps were determined after taking into account the following: (i) the estimated transaction amount of the provision by the Group of business management services to the CGH Group for the three years ending 31 December 2023; (ii) the Group's reference to the market rates of similar services provided in the same industry; and (iii) the fee rate charged by the Group for the provision of the relevant services.

REASONS FOR AND BENEFITS OF THE BUSINESS MANAGEMENT SERVICE FRAMEWORK AGREEMENT

The business management service model expands the Group's whole value chain services and enables the Group to have a higher degree of autonomy in project management. With the Group's professional operation capability and high-quality services, as well as the long-term and stable cooperation between the Group and the CGH Group established through previous transactions, the Company believes that the entering into of the Business Management Service Framework Agreement will help improve the Group's whole value chain operation service level, generate great synergies, broaden its source of revenue, and thereby generate stable income, increase total revenue and enhance profitability of the Group, which is in line with the strategic development needs of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Business Management Service Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PRICING POLICIES AND INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

The Company has adopted the following pricing policies to govern the pricing for the transactions contemplated under the Framework Agreements, in order to ensure that their terms are fair and reasonable and on normal commercial terms:

- (1) For leases, before entering into individual lease contracts, the investment department is responsible for collecting the following information: (i) the historical annual rents paid by the Group to the CGH Group for similar leases (if any); (ii) the rents paid by the Group to Independent Third Parties for similar leases (at least two, if any); (iii) the prevailing rents for similar leases in the market (at least two, if any); and (iv) the prices at which the CGH Group leases properties in the same area to Independent Third Parties (at least two, if any), and comparing such information to ensure that the prices and terms of the individual lease contracts are fair and reasonable and that the rent per unit area is not higher than the price paid by the lessee for the lease of the properties in the same area from Independent Third Parties.
- (2) For business management services, before entering into individual service contracts, the investment department is responsible for collecting the following information: (i) the service fees charged by the Group to the CGH Group for the provision of similar business management services (if any); (ii) the service fees per unit area charged by the Group to Independent Third Parties for the provision of similar business management services under the same conditions (at least two, if any); and (iii) the service fees charged for the provision of similar business management services in the market (at least two, if any), and comparing such information to ensure that the prices and terms of individual service contracts are fair and reasonable and that the service fees are not lower than the prices charged by the Group for the provision of similar business management services to Independent Third Parties under the same conditions.

The Company has implemented the following internal control measures to ensure that the individual transactions will be carried out in accordance with the Framework Agreements (including their annual caps) and the aforesaid pricing policies:

- (1) The compliance department will monitor and evaluate individual transactions. The finance department and the listing secretary office will review the information on connected transactions and monitor the implementation of connected transactions.
- (2) Before entering into individual contracts and carrying out the transactions, the responsible staff at the investment department and the operation department are required to submit applications to the investment department, the operation department, the finance department, the general manager office and the listing secretary office. Such applications shall undergo a preliminary review by the heads of the relevant centers/departments of the Company first, and shall not be approved until the final review at the general manager office meeting in accordance with the internal control policies of the Company. If the entering into of a connected transaction which has been internally approved is subject to the requirements of the Listing Rules, the Group shall not enter into the relevant contract before complying with such requirements.
- (3) The independent non-executive Directors have reviewed and will continue to review individual contracts to ensure that the relevant transactions are entered into on normal commercial terms, that their terms are fair and reasonable and that they will be carried out in accordance with their contractual terms.
- (4) In order to ensure that the total amount recognised as the right-of-use assets of the Group (in respect of the Property Lease Framework Agreement) and the service fees (in respect of the Business Management Service Framework Agreement) under the Framework Agreements will not exceed the annual caps:
 - (a) the business department shall provide the information on the relevant transactions to the listing secretary office on a quarterly basis;
 - (b) the listing secretary office shall monitor such transactions to ensure that the total transaction amount will not exceed the annual caps; and
 - (c) if the estimated total amount of the relevant transactions may exceed the relevant annual caps, the heads of the relevant departments of the Company will be informed, so that they can re-estimate the size of future transactions and make arrangements to comply with the relevant Listing Rules.
- (5) The auditors of the Company shall conduct annual reviews of the prices and annual caps of the transactions under the Framework Agreements in accordance with the Listing Rules to ensure that the total transaction amount is within the annual caps and that the individual transactions are conducted in accordance with the principal terms of the Framework Agreements.

(3) CONNECTED TRANSACTIONS — EQUITY ACQUISITIONS

On 13 April 2021 (after trading hours), subsidiaries of the Company entered into the Equity Transfer Agreements with subsidiaries of CG Holdings, the principal terms of which are set out as follows:

(i) Trade City Operation and Management Equity Transfer Agreement

Date	:	13 April 2021
Parties	:	(1) Guiyang Trade City, as vendor; (2) Guizhou Shunhui, as purchaser.
Subject Matter	:	Guizhou Shunhui agreed to acquire and Guiyang Trade City agreed to sell 100% equity interest in Trade City Operation and Management.
Consideration and Payment Terms	:	The consideration is RMB9.2 million and shall be payable by Guizhou Shunhui to Guiyang Trade City in cash within one month after Trade City Operation and Management has completed the registration of the equity transfer with the relevant industrial and commercial authority in the PRC.

The consideration was determined following arm's length negotiations after taking into account factors including the historical financial results, profitability, future development potential and the status of existing projects under management of Trade City Operation and Management.

Completion

Upon completion of the equity transfer, Trade City Operation and Management will become an indirect wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

Information about Trade City Operation and Management

Trade City Operation and Management is a company established in the PRC in September 2012 with limited liability and is principally engaged in the provision of business services. The capital contribution made by Guiyang Trade City to subscribe for the Trade City Operation and Management Target Shares upon the establishment of Trade City Operation and Management was RMB50 million.

The key financial information of Trade City Operation and Management for each of the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	Currency: RMB	
	For the year ended 31 December 2019 (unaudited)	For the year ended 31 December 2020 (unaudited)
Profit/(loss) before taxation and extraordinary items	(39,574,136.65)	26,999,523.36
Profit/(loss) after taxation	(39,574,136.65)	26,999,523.36

(Note: No taxation expenses or extraordinary items were recorded during the periods)

The unaudited net assets of Trade City Operation and Management as at 31 December 2020 were approximately RMB-8,948,527.52.

(ii) Guizhou Hongtai Equity Transfer Agreement

Date	:	13 April 2021
Parties	:	(1) Guiyang Trade City, as vendor; (2) Guizhou Shunhui, as purchaser.
Subject Matter	:	Guizhou Shunhui agreed to acquire and Guiyang Trade City agreed to sell 100% equity interest in Guizhou Hongtai.
Consideration and Payment Terms	:	<p>The consideration is RMB2 million and shall be payable by Guizhou Shunhui to Guiyang Trade City in cash within one month after Guizhou Hongtai has completed the registration of the equity transfer with the relevant industrial and commercial authority in the PRC.</p> <p>The consideration was determined following arm's length negotiations after taking into account factors including the historical financial results, profitability, future development potential and the status of existing projects under management of Guizhou Hongtai.</p>

Completion

Upon completion of the equity transfer, Guizhou Hongtai will become an indirect wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

Information about Guizhou Hongtai

Guizhou Hongtai is a company established in the PRC in December 2013 with limited liability and is principally engaged in the provision of leasing services. The capital contribution made by Guiyang Trade City to subscribe for the Guizhou Hongtai Target Shares upon the establishment of Guizhou Hongtai was RMB5 million.

The key financial information of Guizhou Hongtai for each of the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	For the year ended 31 December 2019 (unaudited)	Currency: RMB For the year ended 31 December 2020 (unaudited)
(Loss) before taxation and extraordinary items	(2,078,735.03)	(646,953.93)
(Loss) after taxation	(2,078,735.03)	(646,953.93)

(Note: No taxation expenses or extraordinary items were recorded during the periods)

The unaudited net assets of Guizhou Hongtai as at 31 December 2020 were approximately RMB-266,607.17.

(iii) Guangzhou Smart City Investment Equity Transfer Agreements

Date : 13 April 2021

Parties : In respect of Guangzhou Smart City Investment Equity Transfer Agreement I:

(1) Shenzhen Bigui Technology, as vendor;

(2) Guangzhou Qinghui, as purchaser.

In respect of Guangzhou Smart City Investment Equity Transfer Agreement II:

(1) Guangzhou Bicheng, as vendor;

(2) Guangzhou Qinghui, as purchaser.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Guangzhou Bicheng is an Independent Third Party.

Subject Matter : Pursuant to the Guangzhou Smart City Investment Equity Transfer Agreements, Guangzhou Qinghui agreed to acquire and Shenzhen Bigui Technology and Guangzhou Bicheng agreed to sell 85% and 15% equity interest in Guangzhou Smart City Investment respectively.

Consideration and : The total consideration is RMB1.6 million, of which the
Payment Terms consideration for 85% and 15% equity interest in Guangzhou Smart City Investment are RMB1.36 million and RMB240,000 respectively.

It shall be payable by Guangzhou Qinghui to Shenzhen Bigui Technology and Guangzhou Bicheng respectively in cash within one month after Guangzhou Smart City Investment has completed the registration of the equity transfer with the relevant industrial and commercial authority in the PRC.

The consideration was determined following arm's length negotiations after taking into account factors including the historical financial results, profitability, future development potential and the status of existing projects under management of Guangzhou Smart City Investment.

Completion

Upon completion of the equity transfer, Guangzhou Smart City Investment will become an indirect wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

Information about Guangzhou Smart City Investment

Guangzhou Smart City Investment is a company established in the PRC in July 2008 with limited liability and is principally engaged in the provision of business services. The capital commitment of Shenzhen Bigui Technology to subscribe for 85% equity interest in Guangzhou Smart City Investment and of Guangzhou Bicheng to subscribe for 15% equity interest in Guangzhou Smart City Investment upon the establishment of Guangzhou Smart City Investment were RMB85 million and RMB15 million respectively.

The key financial information of Guangzhou Smart City Investment for each of the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	For the year ended 31 December 2019 (unaudited)	Currency: RMB For the year ended 31 December 2020 (unaudited)
(Loss) before taxation and extraordinary items	(4.64)	(122,871.72)
(Loss) after taxation	(4.64)	(122,871.72)

(Note: No taxation expenses or extraordinary items were recorded during the periods)

The unaudited net assets of Guangzhou Smart City Investment as at 31 December 2020 were approximately RMB-123,085.66.

(iv) Shenzhen CG Business Management Equity Transfer Agreement

Date	:	13 April 2021
Parties	:	(1) Dongguan CG, as vendor; (2) Shenzhen Guanhui, as purchaser.
Subject Matter	:	Shenzhen Guanhui agreed to acquire and Dongguan CG agreed to sell 50% equity interest in Shenzhen CG Business Management.
Consideration and Payment Terms	:	The consideration is RMB7.2 million and shall be payable by Shenzhen Guanhui to Dongguan CG in cash within one month after Shenzhen CG Business Management has completed the registration for the equity transfer with the relevant industrial and commercial authority in the PRC. The consideration was determined following arm's length negotiations after taking into account factors including the historical financial results, profitability, future development potential and the status of existing projects under management of Shenzhen CG Business Management.

Completion

Upon completion of the equity transfer, the Company will indirectly hold 50% equity interest in Shenzhen CG Business Management.

As Zhuhai Chuangyi LP, a shareholder of Shenzhen CG Business Management holding its 6% equity interest, entered into a letter of statement of acting in concert dated 13 April 2021 with Shenzhen Guanhui, pursuant to which Zhuhai Chuangyi LP agreed to take concerted actions, follow the opinions of Shenzhen Guanhui and express intentions consistent with that of Shenzhen Guanhui in the voting matters at the general meetings of Shenzhen CG Business Management, upon completion of the Shenzhen CG Business Management Acquisition, Shenzhen CG Business Management will become an indirect non-wholly-owned subsidiary of the Group and its results, assets and liabilities will be consolidated into the accounts of the Group.

Information about Shenzhen CG Business Management

Shenzhen CG Business Management is a company established in the PRC in February 2016 with limited liability and is principally engaged in business information consulting, commercial information consulting, enterprise management consulting, commercial operation and management planning, real estate project planning, enterprise marketing planning, real estate brokerage, property leasing and business management consulting.

The key financial information of Shenzhen CG Business Management for each of the two years ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises is as follows:

	For the year ended 31 December 2019 (unaudited)	Currency: RMB For the year ended 31 December 2020 (unaudited)
Profit/(loss) before taxation and extraordinary items	(1,596,943.49)	967,925.94
Profit/(loss) after taxation	(1,197,707.62)	725,944.45

The unaudited net assets of Shenzhen CG Business Management as at 31 December 2020 were approximately RMB14,728,757.91.

As at the date of this announcement, Shenzhen CG Business Management is held as to 50% by Dongguan CG, as to 44% by Shenzhen Digitone and as to 6% by Zhuhai Chuangyi LP. The capital contribution made by Dongguan CG to subscribe for the Shenzhen CG Business Management Target Shares upon the establishment of Shenzhen CG Business Management was RMB5 million.

Shenzhen Digitone is a company established in accordance with the laws of the PRC with limited liability and is principally engaged in the provision of management services for business enterprises, investment management (excluding restricted projects), investment consulting (excluding restricted projects) and investment advisory services (excluding restricted projects). Its ultimate beneficial owners are Shenzhen Huage Management Co., Ltd.* (深圳華格管理有限公司) (as to 72.26% of total capital contribution) and Shenzhen Xinhongda Trading Co., Ltd.* (深圳市鑫泓達貿易有限公司) (as to 27.74% of total capital contribution).

Zhuhai Chuangyi LP is a limited partnership established in accordance with the laws of the PRC and is principally engaged in enterprise management consulting. Its limited partners are Zhang Jian (as to 75.56% of total capital contribution) and Dongguan Tangchuang Investment Management Co., Ltd.* (東莞市唐創投資管理有限公司) (as to 24.44% of total capital contribution).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Shenzhen Digitone, Zhuhai Chuangyi LP and their respective ultimate beneficial owners are all Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Such acquisitions will enable the Group to further expand its business scale and scope, to obtain continuous and stable income and cash flow, and to enhance its influence and competitiveness in the market, which are in line with the strategic development needs of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreements and the transactions contemplated thereunder are on normal commercial terms and that their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, CG Holdings and its subsidiaries are associates of Ms. YANG Huiyan and thus connected persons of the Company. As such, the transactions contemplated under the Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Property Lease Framework Agreement, as one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap for the total right-of-use assets relating to the leases to be entered into thereunder exceed 0.1% but all of them are less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, pursuant to Rule 14A.52 of the Listing Rules, as the term of the individual lease contracts under the Property Lease Framework Agreement may exceed 3 years, the Company has appointed Red Sun Capital as the Independent Financial Adviser to review the Property Lease Framework Agreement, to explain the reasons for the individual lease contracts thereunder to be of a longer term, and to confirm that it is a normal business practice for contract(s) of this type to be of such a duration. For details, please refer to the section headed “(1) Continuing Connected Transactions — Property Lease — Opinion of Red Sun Capital” in this announcement.

In respect of the Business Management Service Framework Agreement, as one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap exceed 0.1% but all of them are less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the Equity Transfer Agreements, under Rule 14A.81 of the Listing Rules, the applicable percentage ratios in respect of the Equity Transfer Agreements shall be aggregated. As one or more of the applicable percentage ratios (as defined under the Listing Rules) on an aggregated basis are more than 0.1% but all of them are less than 5%, the transactions contemplated under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since (i) Ms. YANG Huiyan is the controlling shareholder, the Co-Chairman and an executive director of CG Holdings, (ii) Mr. YANG Zhicheng is a regional President and an executive director of CG Holdings and a cousin of Ms. YANG Huiyan, and (iii) Ms. WU Bijun is the Vice President and the Chief Financial Officer of CG Holdings, all of them as Directors have abstained from voting at the Board meeting on the resolutions approving the Framework Agreements, the Equity Transfer Agreements and the transactions contemplated thereunder to avoid any conflicts of interest.

GENERAL

The Company is an investment holding company and a leading service provider in comprehensive property management in the PRC 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, "Three Supplies and Property Management" businesses, and city services. As at the date of this announcement, Ms. YANG Huiyan is indirectly interested in approximately 48.46% of the total issued share capital of the Company.

CG Holdings is one of the PRC's largest residential property developers that capitalises on urbanization. With centralised management and standardization, the CGH Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The CGH Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses and condominiums, car parks and retail shop spaces. The CGH Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. In addition, the CGH Group also operates robotics and modern agriculture business, etc. As at the date of this announcement, Ms. YANG Huiyan, the Co-Chairman and an executive director of CG Holdings, holds approximately 59.32% of the total issued share capital of CG Holdings through an investment holding company which she entirely owns.

Guizhou Shunhui is an indirect non-wholly-owned subsidiary of the Company, indirectly held as to 85% by the Company and indirectly held as to 15% by Zhuhai Chuanghui Business Management Partnership Enterprise (Limited Partnership)* (珠海創暉商業管理合夥企業 (有限合夥)), and is principally engaged in the provision of business management services.

Guiyang Trade City is an indirect wholly-owned subsidiary of CG Holdings, indirectly held as to 100% by CG Holdings, and is principally engaged in the provision of business services.

Guangzhou Qinghui is an indirect non-wholly-owned subsidiary of the Company, indirectly held as to 85% by the Company and indirectly held as to 15% by Zhuhai Chuanghui Business Management Partnership Enterprise (Limited Partnership)* (珠海創暉商業管理合夥企業 (有限合夥)) and is principally engaged in the provision of business services.

Shenzhen Bigui Technology is an indirect wholly-owned subsidiary of CG Holdings, indirectly held as to 100% by CG Holdings, and is principally engaged in information technology and investment consulting.

Shenzhen Guanhui is an indirect non-wholly-owned subsidiary of the Company, indirectly held as to 85% by the Company and indirectly held as to 15% by Zhuhai Chuanghui Business Management Partnership Enterprise (Limited Partnership)* (珠海創暉商業管理合夥企業 (有限合夥)), and is principally engaged in the provision of business services.

Dongguan CG is an indirect non-wholly-owned subsidiary of CG Holdings, held as to approximately 87% by CG Holdings, as to approximately 5% by Foshan Shunde District Gongxiang Investment Co., Ltd.* (佛山市順德區共享投資有限公司), as to approximately 5% by Zhuhai Chuangyi LP and as to approximately 3% by Zhuhai Chuangwu Enterprise Management Co., Ltd.* (珠海市創五企業管理有限責任公司). It is principally engaged in property development.

Guangzhou Bicheng is principally engaged in investment, and its ultimate beneficial owners are Zhuhai Hengqing Biqing Shuangxiang Enterprise Management Center (Limited Partnership)* (珠海橫琴碧清雙享企業管理中心 (有限合夥)) (indirectly holding approximately 96.03%) and four individuals (indirectly holding approximately 3.97% in total), all of which are Independent Third Parties.

DEFINITIONS

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

“30%-controlled company(ies)”	has the meaning ascribed to it under the Listing Rules
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Management Service Framework Agreement”	the business management service framework agreement entered into between the Company and CG Holdings on 13 April 2021, which sets out the principal terms for the provision of business management services by the Group to the CGH Group, for a term commencing on 13 April 2021 until 31 December 2023
“CG Holdings”	Country Garden Holdings Company Limited (碧桂園控股有限公司), 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: 2007)

“CGH Group”	CG Holdings and its subsidiaries and, for the purpose of this announcement, their 30%-controlled companies
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dongguan CG”	Dongguan Country Garden Property Development Co., Ltd.* (東莞市碧桂園房地產開發有限公司), a company established in accordance with the laws of the PRC with limited liability
“Equity Transfer Agreements”	the Trade City Operation and Management Equity Transfer Agreement, the Guizhou Hongtai Equity Transfer Agreement, the Guangzhou Smart City Investment Equity Transfer Agreements and the Shenzhen CG Business Management Equity Transfer Agreement
“Framework Agreements”	the Property Lease Framework Agreement and the Business Management Service Framework Agreement
“Group”	the Company and its subsidiaries and, in the context of the Framework Agreements, their 30%-controlled companies
“Guangzhou Bicheng”	Guangzhou Bicheng Shuangxiang Investment Co., Ltd.* (廣州碧城雙享投資有限公司), a company incorporated in the PRC with limited liability
“Guangzhou Qinghui”	Guangzhou Qinghui Business Management Co., Ltd.* (廣州清暉商業管理有限公司), a company incorporated in the PRC with limited liability
“Guangzhou Smart City Investment”	Guangzhou Smart City Investment Co., Ltd.* (廣州智慧城市投資有限公司), a company incorporated in the PRC with limited liability

“Guangzhou Smart City Investment Acquisition”	the acquisition of the Guangzhou Smart City Investment Target Shares by Guangzhou Qinghui from Shenzhen Bigui Technology and Guangzhou Bicheng in accordance with the Guangzhou Smart City Investment Equity Transfer Agreements
“Guangzhou Smart City Investment Equity Transfer Agreement I”	the equity transfer agreement dated 13 April 2021 entered into between Guangzhou Qinghui (as purchaser) and Shenzhen Bigui Technology (as vendor) in relation to the acquisition of 85% equity interest in Guangzhou Smart City Investment
“Guangzhou Smart City Investment Equity Transfer Agreement II”	the equity transfer agreement dated 13 April 2021 entered into between Guangzhou Qinghui (as purchaser) and Guangzhou Bicheng (as vendor) in relation to the acquisition of 15% equity interest in Guangzhou Smart City Investment
“Guangzhou Smart City Investment Equity Transfer Agreements”	the Guangzhou Smart City Investment Equity Transfer Agreement I and the Guangzhou Smart City Investment Equity Transfer Agreement II
“Guiyang Trade City”	Guiyang Southwest International Trade City Co., Ltd.* (貴陽西南國際商貿城有限公司), a company incorporated in the PRC with limited liability
“Guizhou Hongtai”	Guizhou Hongtai Smart Logistics Co., Ltd.* (貴州宏泰智慧物流有限公司), a company incorporated in the PRC with limited liability
“Guizhou Hongtai Acquisition”	the acquisition of the Guizhou Hongtai Target Shares by Guizhou Shunhui from Guiyang Trade City under the Guizhou Hongtai Equity Transfer Agreement
“Guizhou Hongtai Equity Transfer Agreement”	the equity transfer agreement dated 13 April 2021 entered into between Guizhou Shunhui (as purchaser) and Guiyang Trade City (as vendor) in relation to the acquisition of the Guizhou Hongtai Target Shares
“Guizhou Hongtai Target Shares”	the 100% equity interest in Guizhou Hongtai to be acquired under the Guizhou Hongtai Equity Transfer Agreement
“Guizhou Shunhui”	Guizhou Shunhui Business Management Co., Ltd.* (貴州順暉商業管理有限公司), a company established under the laws of the PRC with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“HKFRS”	the Hong Kong Financial Reporting Standards issued by The Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties who are independent of, and not connected with, the Company or any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning ascribed to it under the Listing Rules
“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)
“Property Lease Framework Agreement”	the property lease framework agreement entered into between the Company and CG Holdings on 13 April 2021, which sets out the principal terms for the lease of properties by the Group from the CGH Group, for a term from 13 April 2021 until 31 December 2023
“Red Sun Capital” or “Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise in respect of the terms of individual lease contracts under the Property Lease Framework Agreement
“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)
“Shenzhen Bigui Technology”	Shenzhen Bigui Technology Development Co., Ltd.* (深圳市碧桂科技發展有限公司), a company incorporated in the PRC with limited liability
“Shenzhen CG Business Management”	Shenzhen Country Garden Business Management Co., Ltd.* (深圳碧桂園商業管理有限公司), a company established in accordance with the laws of the PRC with limited liability

“Shenzhen CG Business Management Acquisition”	the acquisition of the Shenzhen CG Business Management Target Shares by Shenzhen Guanhui from Dongguan CG in accordance with the Shenzhen CG Business Management Equity Transfer Agreement
“Shenzhen CG Business Management Equity Transfer Agreement”	the equity transfer agreement dated 13 April 2021 entered into between Shenzhen Guanhui (as purchaser) and Dongguan CG (as vendor) in relation to the acquisition of the Shenzhen CG Business Management Target Shares
“Shenzhen CG Business Management Target Shares”	the 50% equity interest in Shenzhen CG Business Management to be acquired under the Shenzhen CG Business Management Equity Transfer Agreement
“Shenzhen Digitone”	Shenzhen Digitone Business Management Co., Ltd.* (深圳迪信通商業管理有限公司), a company established in accordance with the laws of the PRC with limited liability
“Shenzhen Guanhui”	Shenzhen Guanhui Business Management Co., Ltd.* (深圳莞暉商業管理有限公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trade City Operation and Management”	Guiyang Southwest International Trade City Operation and Management Co., Ltd.* (貴陽西南國際商貿城經營管理有限公司), a company incorporated in the PRC with limited liability
“Trade City Operation and Management Acquisition”	the acquisition of the Trade City Operation and Management Target Shares by Guizhou Shunhui from Guiyang Trade City under the Trade City Operation and Management Equity Transfer Agreement
“Trade City Operation and Management Equity Transfer Agreement”	the equity transfer agreement dated 13 April 2021 entered into between Guizhou Shunhui (as purchaser) and Guiyang Trade City (as vendor) in relation to the acquisition of the Trade City Operation and Management Target Shares
“Trade City Operation and Management Target Shares”	the 100% equity interest in Trade City Operation and Management to be acquired under the Trade City Operation and Management Equity Transfer Agreement
“Zhuhai Chuangyi LP”	Zhuhai Chuangyi Consulting Management Enterprise (Limited Partnership)* (珠海市創一諮詢管理企業 (有限合夥)), a limited partnership enterprise established in accordance with the laws of the PRC

“%”

per cent

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

Foshan, China, 13 April 2021

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.

* *For identification purposes only*