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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)

UPDATE ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION ACQUISITION OF ENTIRE EQUITY INTEREST IN WEALTH BEST GLOBAL ENTERING INTO OF SUPPLEMENTAL AGREEMENT

Reference is made to the Announcement in relation to the acquisition by the Group of 100% equity interest in Wealth Best Global. Unless otherwise defined herein, the capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that, in view of the success of the relevant preparation work for the Acquisition, on 11 October 2021 (after trading hours), CG Property Services HK (an indirect wholly-owned subsidiary of the Company, as purchaser), R&F Property (as vendor) and other parties to the Equity Transfer Agreement entered into the Supplemental Agreement in relation to the arrangement for the advance payment of RMB1.3 billion of the Second Instalment of Consideration and the payment of the Third Instalment of Consideration. The principal terms of the Supplemental Agreement are as follows:

PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT

Payment terms of RMB1.3 billion in the Second Instalment of Consideration

Pursuant to the terms of the Supplemental Agreement, CG Property Services HK shall make an advance payment of an amount equivalent to RMB1.3 billion in the Second Instalment of Consideration in Hong Kong dollars to R&F Property before 10:00 a.m. on 12 October 2021 (if the banks are not open for business in Hong Kong on such date due to weather conditions, on the Business Day immediately thereafter) provided that all of the following conditions have been fulfilled before 9:00 a.m. on October 2021:

- (1) the entering into by R&F Property of the Share Pledge I to pledge 60% equity interest in Wealth Best Global held by it (i.e. the Pledged Shares I) in favour of CG Property Services HK as an additional protection measure for the payment by CG Property Services HK of the First Instalment of Consideration and RMB1.3 billion in the Second Instalment of Consideration;

- (2) the entering into by Wealth Best Global of the Share Pledge II to pledge 60% equity interest in R&F Property Services HK held by it (i.e. the Pledged Shares II) in favour of CG Property Services HK as an additional protection measure for the payment by CG Property Services HK of the First Instalment of Consideration and RMB1.3 billion in the Second Instalment of Consideration;
- (3) CG Property Services HK having completed the registration of the Share Pledge II with the Registrar of Corporate Affairs in the British Virgin Islands and obtained the certificate of registration of charge;
- (4) the delivery by R&F Property of all documents relating to the New Share Pledges and ancillary documents (including board resolutions, share transfers, share certificates etc.) to CG Property Services HK; and
- (5) it has been enquired and confirmed that the Pledged Shares have not been pledged (other than the New Share Pledges) nor transferred to any third party.

Pursuant to the Supplemental Agreement, CG Property Services HK shall have the right to either enforce the Share Pledge I or the Share Pledge II. Within two Business Days following the enforcement of either of the New Share Pledges, CG Property Services HK shall release the other one and return the unused equity transfer documents to R&F Property. In the event of termination or cancellation of the Equity Transfer Agreement and the Supplemental Agreement, if R&F Property fails to pay the amount of consideration already paid by CG Property Services HK into the Custody Account within the agreed period pursuant to the Equity Transfer Agreement, CG Property Services HK shall have the right to enforce the share pledges or other protection measures.

If conditions (1), (2), (4) and (5) above have been satisfied but condition (3) above has not been satisfied (not for reason on the part of R&F Property), CG Property Services HK shall pay an amount equivalent to RMB1.3 billion in the Second Instalment of Consideration in Hong Kong dollars into the Custody Account before 10:00 a.m. on 12 October 2021 (if the banks are not open for business in Hong Kong on such date due to weather conditions, on the Business Day immediately thereafter). CG Property Services HK shall procure the Custody Bank to pay such amount to R&F Property upon satisfaction of all conditions above by R&F Property.

The ultimate beneficial owners of the Parties will further negotiate if RMB1.3 billion in the Second Instalment of Consideration has not been paid to R&F Property on 12 October 2021 pursuant to the terms of the Supplemental Agreement.

Upon completion of the advance payment by CG Property Services HK of Hong Kong dollars equivalent to RMB1.3 billion, if R&F Property fails to perform its corresponding obligations under the Equity Transfer Agreement and the Supplemental Agreement, or if the Acquisition cannot proceed for reason on the part of R&F Property (R&F Property shall notify CG Property Services HK of such event), CG Property Services HK shall have the right to request R&F Property:

- (1) to transfer the Pledged Shares I or the Pledged Shares II (as the case may be) to it;
- (2) to cooperate with the completion of the appointment of the persons nominated by CG Property Services HK as directors of Wealth Best Global and R&F Property Services HK, the number of which shall be the same as that of the directors nominated by R&F Property; and

- (3) to cooperate in the registration with all relevant competent registration authorities for the appointment of new directors.

Payment terms of RMB1.7 billion in the Second Instalment of Consideration

Following the payment of Hong Kong dollars equivalent to RMB1.3 billion in the Second Instalment of Consideration and within one Business Day after the anti-trust authority in the PRC has issued the approval for the Acquisition, CG Property Services HK shall pay Hong Kong dollars equivalent to RMB1.7 billion in the Second Instalment of Consideration to the Custody Account. Within three Working Days after CG Property Services HK has deposited the aforesaid amount into the Custody Account, the Parties shall jointly complete the following:

- (1) if neither of the New Share Pledges have been enforced, the Parties shall execute all documents relating to the transfer of the Target Shares held by R&F Property to CG Property Services HK;
- (2) if the Pledged Shares I or the Pledged Shares II have been transferred to CG Property Services HK due to the enforcement of the relevant share pledge, the Parties shall execute all documents relating to the transfer of the remaining 40% equity interest in the company whose shares have been transferred to CG Property Services HK;
- (3) all directors of Wealth Best Global and R&F Property Services HK appointed by R&F Property shall resign, and Wealth Best Global and R&F Property Services HK shall appoint the persons nominated by CG Property Services HK as directors and update their registers of directors accordingly;
- (4) the completion of the procedures for the release of either the Share Pledge I or the Share Pledge II (if necessary) for the transfer of 40% equity interest in Wealth Best Global or R&F Property Services HK (as the case may be) to CG Property Services HK; and
- (5) Wealth Best Global Group shall legally and validly complete the filing and registration for its directors, supervisors and legal representatives nominated by CG Property Services HK with the competent registration authorities and complete the filing of its articles of association, and the aforesaid filings shall be available for search and authentication.

On the date of fulfilment of the conditions precedent above, CG Property Services HK shall procure the Custody Bank to pay Hong Kong dollars equivalent to RMB1.7 billion to R&F Property on the same date. On the date following the completion of the payment above, CG Property Services HK shall commence the management of Wealth Best Global Group.

Payment terms of the Third Instalment of Consideration

On the date on which the Guarantors and CG Property Services HK have reached an agreement in writing in respect of the protection measures as stated in the section headed “*Principal Terms of the Equity Transfer Agreement — Compensation and Guarantee for the Continuity of Related Business*” in the Announcement, if the Parties have completed the closing for the Target Shares while neither of the New Share Pledges have been enforced, CG Property Services HK shall pay an amount equivalent to the Third Instalment of Consideration (RMB2 billion) in Hong Kong dollars to R&F Property. If the closing for the transfer of the Pledged Shares I or the Pledged Shares II (as the case may be) is completed in the event of the enforcement of either of the New Share Pledges, CG Property Services HK shall pay Hong Kong dollars equivalent to RMB1.2 billion in the Third Instalment of Consideration to R&F Property. The remaining Hong Kong dollars equivalent to RMB800 million shall be paid to R&F Property in accordance with the Equity Transfer Agreement within one Business Day following the date of closing for all of the 100% equity interest in Wealth Best Global or R&F Property Services HK (as the case may be).

Closing

Pursuant to the Supplemental Agreement, if either of the New Share Pledges is enforced, the Closing Date for the Acquisition shall be the date on which the Parties have executed the equity transfer instrument for the 40% equity interest in Wealth Best Global or R&F Property Services HK (as the case may be), the register of members of Wealth Best Global or R&F Property Services HK (as the case may be) has been amended and a new share certificate has been issued by Wealth Best Global or R&F Property Services HK (as the case may be) to CG Property Services HK (being the date on which CG Property Services HK has obtained a total of 100% equity interest in Wealth Best Global or R&F Property Services HK (as the case may be)).

Save as disclosed above, other provisions of the Equity Transfer Agreement remain unchanged.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

The entering into of the Supplemental Agreement was proposed by R&F Property and determined by CG Property Services HK and R&F Property following arm’s length negotiations. After taking into account, among other things, (i) that the terms of the Supplemental Agreement are in line with the logics of transaction and valuation agreed upon under the Equity Transfer Agreement, and R&F Property will provide sufficient protection measures, so as to protect CG Property Services HK from bearing additional transaction risks by virtue of the entering into of the Supplemental Agreement; (ii) that the First Instalment of Consideration had already been paid by CG Property Services HK; and (iii) that the entering into of the Supplemental Agreement will facilitate CG Property Services HK and R&F Property to better perform their obligations under the Equity Transfer Agreement and expedite the completion of the transaction, the Directors are of the view that the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, and their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules to provide its shareholders and investors with updates on the Acquisition. As one or more applicable percentage ratios in respect of the Equity Transfer Agreement (as amended by the Supplemental Agreement) are more than 5% but all of them are less than 25%, it still constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will further announce the updates on the Acquisition in accordance with the Listing Rules in due course.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 20 September 2021
“New Pledged Shares”	collectively, the Pledged Shares I and the Pledged Shares II
“New Share Pledges”	collectively, the Share Pledge I and the Share Pledge II
“Pledged Shares I”	60% equity interest in Wealth Best Global
“Pledged Shares II”	60% equity interest in R&F Property Services HK
“Share Pledge I”	the pledge of 60% equity interest in Wealth Best Global
“Share Pledge II”	the pledge of 60% equity interest in R&F Property Services HK
“Supplemental Agreement”	the supplemental agreement dated 11 October 2021 entered into between CG Property Services HK and R&F Property in relation to the Acquisition

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

Foshan, China, 12 October 2021

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