

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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)

SHARE TRANSACTION

ACQUISITION OF EVERJOY SERVICES COMPANY LIMITED

Reference is made to the voluntary announcement of the Company dated 14 February 2022 in relation to the entering into of the Original Majority Equity Purchase Agreement with the Majority Vendors and of the Original Minority Equity Purchase Agreement with the Minority Vendors, respectively, by CG Property Services HK (an indirect wholly-owned subsidiary of the Company) on 11 February 2022, pursuant to which CG Property Services HK agreed to acquire a total of approximately 93.76% equity interest in the Target Company at cash consideration. As at the date of this announcement, the Target Interest has been transferred to CG Property Services HK, and the directors of the Target Company have been changed to the directors designated by CG Property Services HK.

On 29 March 2022, the Company, CG Property Services HK and the relevant Vendors entered into the Majority First Supplemental Agreement and the Minority First Supplemental Agreement, respectively, to amend the arrangements for payment of the consideration under the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement (including the change of payment method for part of consideration to payment through issue of the Consideration Shares), the performance guarantees and the contractual arrangements for relevant matters.

On 29 March 2022, CG Property Services HK entered into the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement with the relevant Vendors and Shanghai Zhongchengyun (a related party of the Majority Vendors), respectively, to amend the scope of the Projects In Transit and the Injected Projects, the rectification of the projects, the reorganization arrangements of the Target Group, the handling of related party transactions and accounts and the contractual arrangements for relevant matters under the Original Majority Equity Purchase Agreement, the Original Minority Equity Purchase Agreement, the Majority First Supplemental Agreement and the Minority First Supplemental Agreement.

The total consideration for the Acquisition includes the following: (i) the consideration for the Projects Under Management of no more than approximately RMB748 million (actual amount payable subject to the balance after deducting the outstanding related party current accounts due to the Target Group); (ii) the consideration for the Non-property Owners Value-added Business Under Management of no more than RMB45 million; (iii) the consideration for the Projects In Transit of no more than RMB720 million; (iv) the consideration for the remaining net assets of the Target Group as at 31 December 2021 of no more than approximately RMB44.64 million; and (v) the consideration for future new projects, if any, of no more than approximately RMB1,571 million, which together constitute the total consideration of no more than approximately RMB3,129 million. For the avoidance of doubt, only the considerations in (i) and (iv) (totalling no more than RMB800 million) are expected to be paid in the near future subject to the relevant conditions precedent, while the actual considerations in (ii), (iii) and (v) will be paid in stages in the future based on business cooperation and actual project delivery.

In the total consideration, (i) no more than approximately RMB1,396 million shall be paid in cash in stages (provided that the Fifth Part of Consideration shall be fully paid through issue of Shares), and (ii) no more than approximately RMB1,733 million shall be paid in stages through the issue of the Consideration Shares by the Company. The maximum number of the Consideration Shares to be issued is 45,983,980 shares, representing approximately 1.37% of the issued share capital of the Company as at the date of this announcement. The Consideration Shares will be issued under the General Mandate, and is not subject to further approval of the shareholders of the Company. An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

LISTING RULES IMPLICATIONS

As all applicable percentage ratios in respect of the Acquisition are less than 5%, but part of the consideration will be paid through issue of the Consideration Shares, the Acquisition constitutes a share transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the voluntary announcement of the Company dated 14 February 2022 in relation to the entering into of the Original Majority Equity Purchase Agreement with the Majority Vendors and of the Original Minority Equity Purchase Agreement with the Minority Vendors, respectively, by CG Property Services HK (an indirect wholly-owned subsidiary of the Company) on 11 February 2022, pursuant to which CG Property Services HK agreed to acquire a total of approximately 93.76% equity interest in the Target Company at a total consideration of no more than approximately RMB3,129 million in cash. As at the date of this announcement, the Target Interest has been transferred to CG Property Services HK, and the directors of the Target Company have been changed to the directors designated by CG Property Services HK.

On 29 March 2022, the Company, CG Property Services HK and the relevant Vendors entered into the Majority First Supplemental Agreement and the Minority First Supplemental Agreement, respectively, to amend the arrangements for payment of the consideration under the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement (including the change of payment method for part of consideration to payment through issue of the Consideration Shares), the performance guarantees and the contractual arrangements for relevant matters.

On 29 March 2022, CG Property Services HK entered into the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement with the relevant Vendors and Shanghai Zhongchengyun (a related party of the Majority Vendors), respectively, to amend the scope of the Projects In Transit and the Injected Projects, the rectification of the projects,

the reorganization arrangements of the Target Group, the handling of related party transactions and accounts and the contractual arrangements for relevant matters under the Original Majority Equity Purchase Agreement, the Original Minority Equity Purchase Agreement, the Majority First Supplemental Agreement and the Minority First Supplemental Agreement.

PRINCIPAL TERMS OF THE AMENDED EQUITY PURCHASE AGREEMENTS

The principal terms of the Amended Equity Purchase Agreements are set out below:

Date : *Date of the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement*

11 February 2022

Date of the Majority First Supplemental Agreement, the Minority First Supplemental Agreement, the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement

29 March 2022

Parties : *Original Majority Equity Purchase Agreement*

(1) CG Property Services HK, as purchaser

(2) the Majority Vendors (being Chuangchen, Chuangzhuo, Chuangyuan, Tycoon Ample and Mr. Yang), as vendors

Original Minority Equity Purchase Agreement

(1) CG Property Services HK, as purchaser

(2) the Minority Vendors (being Chuangzhi, Chuangtong, Mr. Li and Mr. Ma), as vendors

Majority First Supplemental Agreement

(1) CG Property Services HK and the Company, as purchasers

(2) the Majority Vendors, as vendors

Minority First Supplemental Agreement

(1) CG Property Services HK and the Company, as purchasers

(2) the Minority Vendors, as vendors

(3) Mr. Yang

Majority Second Supplemental Agreement

- (1) CG Property Services HK, as purchaser
- (2) the Majority Vendors, as vendors
- (3) Shanghai Zhongchengyun (a related party of the Majority Vendors)

Minority Second Supplemental Agreement

- (1) CG Property Services HK, as purchaser
- (2) the Minority Vendors, as vendors
- (3) Shanghai Zhongchengyun

Immediately preceding the Closing Date, Chuangzhi and Chuangtong were registered shareholders of approximately 7.97% and 2.34% equity interest in the Target Company, respectively. As disclosed by the Vendors, the then beneficial owners of the Nominee Interest were the Existing Senior Management of the Target Group, and it was held by Chuangzhi and Chuangtong as nominees.

Save as disclosed in this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Majority Vendors, the Minority Vendors, the Existing Senior Management, Shanghai Zhongchengyun and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

Subject matter : Pursuant to the terms of the Amended Equity Purchase Agreements, CG Property Services HK agreed to acquire approximately 83.45% and 10.31% equity interest in the Target Company from the Majority Vendors and the Minority Vendors, respectively.

The Vendors shall procure the Target Group to complete the reorganization and rectification, including the acquisition of the equity interest of joint venture partners in the designated joint ventures of the Target Group, the disposal of the Excluded Business and the rectification of the designated existing projects which do not meet the specified requirements, and procure the transfer of the contracts and equity interest in companies relating to the Excluded Business to Shanghai Zhongchengyun within the specified period.

Upon completion of the Acquisition, the related parties of the Majority Vendors shall have the right to continue to deliver the Injected Projects to the Target Group from time to time, and the Target Group shall have the right to undertake such Injected Projects in accordance with the terms of the Amended Equity Purchase Agreements.

Details of the Target Group are set out in the section headed “Information of the Target Group” below.

Maximum consideration and payment method

: The total consideration for the Acquisition is not more than approximately RMB3,129 million. For the avoidance of doubt, only the First Part of Consideration and the Fourth Part of Consideration (totalling no more than RMB800 million) are expected to be paid in the near future subject to the relevant conditions precedent, while the Second Part of Consideration, the Third Part of Consideration and the Fifth Part of Consideration will be paid in the future based on business cooperation and actual project delivery. The total consideration comprises the following parts:

	Business or asset of the Target Group corresponding to the consideration	Consideration receivable by the Majority Vendors and its payment method (RMB)	Consideration receivable by the Minority Vendors and its payment method (RMB)
First Part of Consideration	Projects Under Management	No more than approximately RMB665.48 million Payable in cash after offsetting or withholding the related party current accounts due to the Target Group on the Closing Date	No more than RMB82.25 million Payable through the Consideration Shares in equivalent value [#] (the “ Minority PUM Consideration Shares ”) after offsetting or withholding the related party current accounts due to the Target Group on the Closing Date

Second Part of Consideration	Non-property Owners Value-added Business Under Management	No more than RMB45 million Payable in cash in 10 annual installments	None
Third Part of Consideration	Projects In Transit	No more than RMB640.80 million Payable in cash according to project delivery progress	No more than RMB79.20 million Payable through the Consideration Shares in equivalent value [#] (the “ Minority PIT Consideration Shares ”) according to project delivery progress
Fourth Part of Consideration	Other assets including property management fees receivable of the Target Group as at 31 December 2021	Approximately RMB39.73 million Payable in cash	Approximately RMB4.91 million Payable in cash
Fifth Part of Consideration	Injected Projects	No more than approximately RMB1,571.44 million Payable through the Consideration Shares in equivalent value (the “ Majority Consideration Shares ”) according to project delivery progress	None

Pursuant to the Amended Equity Purchase Agreements, the parties agreed that the Minority Consideration Shares shall be directly issued to the Existing Senior Management in proportion to their respective beneficial ownership in the Nominee Interest and confirmed that such arrangement shall be deemed as the satisfaction by CG Property Services HK of the relevant payment obligation. The Existing Senior Management will enter into written agreements to confirm the contractual arrangements under the Amended Equity Purchase Agreements.

The aforesaid consideration payable in cash shall be paid by CG Property Services HK in Hong Kong dollars equivalent, which shall be converted at the central parity rate of RMB against Hong Kong dollars officially issued by the People's Bank of China on the date of payment. The cash consideration will be financed with CG Property Services HK's own funds and/or equity financing and/or loans.

Basis for consideration

The consideration was determined following arm's length negotiations after taking into account the chargeable gross floor area ("GFA") and status, property management fee income and net profit indicator after deducting non-recurring gains and losses of the projects of the Target Group, the status of sustainable independent operation of the Target Company, the performance guarantees made by the Vendors, as well as the existing market conditions and future development potential of the property management industry.

For the avoidance of doubt, the profit indicator above does not represent the expected level of future profits, neither does it constitute a profit forecast under Rule 14.61 of the Listing Rules.

Conditions for payment

: First Part of Consideration

CG Property Services HK shall pay 80% of the First Part of Consideration (being the cash portion) into a designated joint account within three working days after the following conditions have been satisfied:

- (1) the entitled shareholders of the Target Company have waived any right of first refusal in respect of the Target Interest;
- (2) the competent bodies of the Vendors and the Target Company have passed all necessary resolutions; and
- (3) the share charge for the Target Interest and Shanghai Zhongliang Property Development Co., Ltd. stated in the section headed "Principal Terms of the Amended Equity Purchase Agreements — Share charge arrangements" below and the relevant registration procedures have been completed.

The above conditions have been satisfied as at the date of this announcement, and such amount has been paid into the joint account.

CG Property Services HK shall (i) instruct the custodian bank to pay 80% of the First Part of Consideration (being the cash portion) from the joint account to the Majority Vendors and (ii) issue 80% of the Minority PUM Consideration Shares to the Existing Senior Management within three working days after the following conditions (the “**Closing Conditions**”) have been satisfied (after withholding the related party current accounts due to the Target Group on the Closing Date mentioned in the section headed “Handling of related party transactions and accounts with related parties” below):

- (1) the PRC anti-monopoly law enforcement agency has issued the relevant approval documents for the Acquisition;
- (2) the transfer of the Target Interest to CG Property Services HK and the change of the directors, secretary, supervisors, general manager and authorised representative of the Target Group to the persons designated by CG Property Services HK have been completed, and the relevant filing and registration procedures have been completed;
- (3) the Target Group has disposed of the Excluded Business and completed the relevant registration procedures;
- (4) the Vendors have completed the handover of all licenses, seals, statutory records, electronic keys and other documents and materials of the Target Group to CG Property Services HK;
- (5) the staff of CG Property Services HK has started to take over the day-to-day operations of the Target Group;
- (6) the Vendors have completed the relevant contractual arrangements for the related party transactions and related party current accounts of the Target Group;
- (7) the related parties of the Majority Vendors have effectively authorized the Target Company to use the “Zhongliang (中梁)” “Zhongliang Modern Services (中梁現代服務)” and “Zhongliang Properties (中梁物業)” trademarks free of charge for a term of ten years;
- (8) As at the Closing Date, there are no (i) litigations, rulings or injunctions restricting the Acquisition or adversely affecting the Target Group or the Acquisition; or (ii) encumbrances on the Target Interest; or (iii) circumstances that have a material adverse effect on the Target Group ;

- (9) CG Property Services HK has completed the audit of the Target Group, and the Vendors and the Target Group have complied with the contractual arrangements for settlement of related parties current accounts and prohibition against further financing or incurrence of liabilities;
- (10) the net assets attributable to the parent company (including cash balance) and total cash balance of the Target Company as at the Closing Date shall not be less than RMB350 million and approximately RMB440 million, respectively;
- (11) the Vendors have completed the delivery of specified transaction documents.

CG Property Services HK will review the financial statements of the Target Group for the year 2021. If following the review the Net Profit After NRI, revenue, total GFA under management as at the end of the period and total contracted GFA as at the end of the period of the Target Group fail to meet any specified target (being RMB125 million, RMB1.2 billion, 35 million sq.m. and 63 million sq.m., respectively), the First Part of Consideration shall be reduced according to the agreed formula. Subject to the satisfaction of the Closing Conditions, following the reduction, if any, CG Property Services HK shall pay the balance of the cash portion of the First Part of Consideration to the Majority Vendors and issue the remaining Minority PUM Consideration Shares to the Existing Senior Management within three working days upon completion of such review.

Second Part of Consideration

The Second Part of Consideration shall be paid in ten installments corresponding to the ten financial years from 1 January 2022 to 31 December 2031, with each installment of RMB4.5 million.

If both of the revenue and gross profit margin of the Non-property Owners Value-added Business Under Management for the relevant financial years remain to reach the prescribed benchmarks (being RMB150 million and 15%, respectively), CG Property Services HK shall pay the corresponding installment of consideration to the Majority Vendors after the annual audit is completed. If any indicator for any financial year fails to meet the prescribed benchmarks, CG Property Services HK shall have the right to not pay the corresponding installment of consideration and to deduct it from the total consideration.

Third Part of Consideration

The Third Part of Consideration shall be paid in stages according to the delivery progress of the Projects In Transit.

Following the end of each half-year period since 1 January 2022, the parties shall review the Projects In Transit delivered during such half-year period.

Within 10 working days following completion of each biannual review, CG Property Services HK shall pay the corresponding cash consideration and issue the Minority PIT Consideration Shares in equivalent corresponding value based on the saturated revenue of the Projects In Transit delivered during such period and the agreed formula. The Projects In Transit are expected to be fully delivered by 30 June 2024.

If following review, the total final consideration for the Projects In Transit exceeds the total cap for the Third Part of Consideration (being approximately RMB720 million), for the projects corresponding to the excess, if they (i) meet the specified criteria for the Injected Projects and (ii) are developed by the related parties of the Majority Vendors, such projects shall be transferred to the Injected Projects and be paid for in accordance with the relevant terms for the Injected Projects (for details, please see the paragraph headed “Fifth Part of Consideration” in this section), except that the caps for the total consideration and each of the first to fifth parts of consideration stated in the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” above shall remain unchanged.

Subject to additional guarantee measures to the satisfaction of CG Property Services HK, the Majority Vendors shall have the right to request CG Property Services HK to pay RMB50 million out of the Third Part of Consideration in advance (the “**Prepayment**”) at the time of settlement after the first half-year review is completed. CG Property Services HK shall deduct the Prepayment (together with the interest receivable at an annualized interest of 8%) from the Third Part of Consideration or any other amount payable to the Majority Vendors. Mr. Yang agreed to charge the Minority PUM Consideration Shares he will receive as a member of the Existing Senior Management (representing approximately 53.72% of the total Minority PUM Consideration Shares) in favor of CG Property Services HK to secure the Prepayment.

Fourth Part of Consideration

CG Property Services HK shall pay the Fourth Part of Consideration within three working days after the Closing Conditions have been met.

Fifth Part of Consideration

The Fifth Part of Consideration shall be paid in stages according to the progress of delivery of the Injected Projects by the related parties of the Majority Vendors to the Target Group.

Following the end of each half-year period since 1 January 2022, the parties shall review the Injected Projects delivered during such half-year period.

Within one month following each biannual review, CG Property Services HK shall procure the issue of the Majority Consideration Shares in equivalent corresponding value based on the saturated revenue of the Injected Projects delivered during such period and the agreed formula.

Consideration Shares : Total number of the Consideration Shares and the General Mandate

The maximum number of the Consideration Shares to be issued is 45,983,980 shares, representing

- (i) approximately 1.37% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 1.35% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company during the period from the date of this announcement to completion of the Acquisition, other than the issue of the Consideration Shares).

The Consideration Shares will be issued under the General Mandate and credited as fully paid. Under the General Mandate, the Directors may allot and issue up to 614,757,644 Shares, representing 20% of the total number of issued Shares on the date on which the General Mandate was granted. As at the date of this announcement, the Directors have exercised the power under the General Mandate to allot and issue 150,000,000 Shares, and 464,757,644 Shares remain issuable under the General Mandate. As such, the issue of the Consideration Shares is not subject to further approval of the shareholders of the Company. An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

On the date of issue, the Consideration Shares shall rank pari passu in all respects with the Shares in issue on the date of issue, including all relevant rights attached or accrued on and after the date of issue, and without any encumbrance at the time of issue (save for the share charge and relevant arrangements under the Amended Equity Purchase Agreements).

The issue of all Consideration Shares is subject to the Company's compliance with the Listing Rules and other laws and regulations and obtaining of necessary approvals. If such compliance requirement is not met by the corresponding payment time limit, the Vendors and the purchaser have agreed to extend the payment time limit for no more than 60 days.

Majority Consideration Shares

The issue price of the Majority Consideration Shares shall be the average closing price per Share as quoted by the Stock Exchange for the 20 trading days immediately preceding the relevant half-year review date, which shall be converted at the central parity rate of RMB against Hong Kong dollars officially issued by the People's Bank of China on the review date, but the final issue price shall not be lower than HK\$46.1725 per share (being the average closing price per Share as quoted by the Stock Exchange for the 20 trading days immediately preceding the Date of Original Agreements) and the total number of Shares shall not exceed 41,700,000. If the proposed issue price for any half-year period is finally determined to be lower than HK\$46.1725 per share, CG Property Services HK will pay the corresponding Fifth Part of Consideration for such half-year period in cash instead.

The Majority Consideration Shares are not subject to any lock-up period.

Minority Consideration Shares

The issue price of the Minority Consideration Shares is HK\$46.1725 per share (being the average closing price per Share as quoted by the Stock Exchange for the 20 trading days immediately preceding the Date of Original Agreements), representing:

- (i) a premium of 40.34% over the closing price per Share as quoted by the Stock Exchange on the last trading day immediately preceding the date of this announcement; and

- (ii) a premium of 34.07% over the average closing price per Share as quoted by the Stock Exchange for the five consecutive trading days immediately preceding the date of this announcement.

The issue price of the Minority Consideration Shares shall be converted at the central parity rate of RMB against Hong Kong dollars officially issued by the People's Bank of China on 10 February 2022. The maximum numbers of the Minority PUM Consideration Shares and the Minority PIT Consideration Shares are 2,182,455 and 2,101,525, respectively. Upon issue, the Minority Consideration Shares will be charged in favor of CG Property Services HK or its designated entity, and will be released in stages after the performance guarantees are fulfilled. Please refer to the section headed "Principal Terms of the Amended Equity Purchase Agreements — Performance guarantees" below.

Handling of related party transactions and accounts with related parties : The Vendors and the Target Company shall settle all related party transactions and accounts of the Target Company within the specified period. CG Property Services HK shall have the right to deduct any amount equivalent to any outstanding balance with related parties due to the Target Group as at the Closing Date from the First Part of Consideration or withhold such amount until the repayment of such accounts with related parties.

Share charge arrangement : The Majority Vendors and the Minority Vendors agreed to charge before the Closing Date the Target Interest and all equity interest in Shanghai Zhongliang Property Development Co., Ltd. (上海中梁物業發展有限公司) (an indirect wholly-owned subsidiary of the Target Company) in favor of CG Property Services HK (or its designated entity) to secure their specified obligations under the Amended Equity Purchase Agreements. As at the date of this announcement, the relevant share charge procedures have been completed.

Shanghai Zhongchengyun agreed to charge its equity interest in its subsidiary Haining Sihaizhijia Property Management Co., Ltd. (海寧市四海之家物業管理有限公司) in favor of the purchaser or its designated entity to secure the obligations and liability of the Vendors and Shanghai Zhongchengyun under the Amended Equity Purchase Agreements in relation to the reorganization and rectification of the Target Group. As at the date of this announcement, the procedures for such share charge are in progress.

Non-competition undertaking : The Majority Vendors and the Minority Vendors have undertaken not to directly or indirectly engage in any conduct which may constitute competition with the Target Company or is detrimental to its operation and management within five years of the Closing Date.

Other contractual arrangements : Following the Closing Date, the Majority Vendors and their related parties may appoint the Target Group to provide parking space sales agency services based on the principal terms specified in the Amended Equity Purchase Agreements. The actual arrangement is subject to the terms of the contract to be entered into between the parties and the Company will then comply with the applicable requirements of the Listing Rules.

The Vendors have undertaken to procure the Target Company to be authorized to use the “Zhongliang Modern Services (中梁現代服務)”, “Zhongliang Properties (中梁物業)” and “Zhongliang (中梁)” trademarks free of charge for a term of ten years commencing on 1 January 2022.

Performance guarantees : (1) The Majority Vendors and the Minority Vendors have undertaken to CG Property Services HK that the saturated revenue of the Projects Under Management for each half-year period from 1 January 2022 until full settlement of the Third Part of Consideration shall not be less than the corresponding amount as at 31 December 2021.

(2) The Minority Vendors have undertaken to CG Property Services HK that the performance of the Target Group for the three years from 1 July 2022 to 30 June 2025 shall meet the following targets:

Performance guarantee period	Operating revenue	Net Profit After NRI	GFA under management
From 1 July 2022 to 30 June 2023	No less than RMB1,200 million	No less than RMB125 million	The GFA under management as at 30 June 2023 shall not be less than the GFA under management as at 31 December 2021
From 1 July 2023 to 30 June 2024	No less than RMB1,320 million	No less than RMB137 million	The GFA under management as at 30 June 2024 shall not be less than the GFA under management as at 30 June 2023

From 1 July 2024 to 30 June 2025	No less than RMB1,452 million	No less than RMB150 million	The GFA under management as at 30 June 2025 shall not be less than the GFA under management as at 30 June 2024
--	-------------------------------------	-----------------------------------	--

For the avoidance of doubt, the above performance guarantees made by the Majority Vendors and the Minority Vendors do not represent the expected level of future profits of the Target Group, neither do they constitute a profit forecast under Rule 14.61 of the Listing Rules.

Upon issue, the Minority Consideration Shares shall be charged in favor of CG Property Services HK or its designated entity to secure the performance guarantee made by the Minority Vendors. For each performance guarantee period, upon confirmation that the relevant targets have been met, CG Property Services HK shall arrange to release the share charge over one-third of the Minority Consideration Shares. If the target for any performance guarantee period is not met, the share charge over corresponding portion of the Minority Consideration Shares shall not be released, and such performance guarantee period and subsequent performance guarantee periods (including the corresponding timetable for release of share charge) shall be extended for one year and so forth until such target is met, except that any Minority Consideration Shares over which the share charge has not been released as at 30 June 2032 shall be forfeited.

If the Target Group fails to meet performance guarantee (1) and/or the target for GFA under management under performance guarantee (2), the Majority Vendors and/or the Minority Vendors shall make up for a portion of the corresponding shortfall in consideration in cash in accordance with the agreed formula or inject new projects meeting the specified criteria and conditions into the Target Group to make up for a portion of the corresponding shortfall in saturated revenue. If such cash compensation is not made or such projects for compensation are not injected, CG Property Services HK shall have the right to dispose of the charged Minority Consideration Shares to meet the obligations of the Minority Vendors to make up for the shortfall.

REASONS AND BENEFITS

The Acquisition will complement the Group's business and help the Group in strengthening its brand influence in medium- and high-end residential property management and expanding the potential of its community value-added services. In addition, there is a high degree of overlap in business areas between the Group's projects and those of the Target Group, which is conducive to integrating the advantages of both sides, lowering operating costs and improving profitability in the overlapped business areas in the future. The Acquisition will also further enhance the Group's influence and competitiveness in the market, contribute to its long-term steady growth and create better returns for the shareholders of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Amended Equity Purchase Agreements and the transactions contemplated thereunder (including the issue of the Consideration Shares) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. Its subsidiaries are principally engaged in property management services, value-added services to non-property owners and community value-added services.

The Target Group is a fast-growing property management service provider in China with a national presence and a strong focus on the Yangtze River Delta. In 2020, the Target Group was recognized as 28th in terms of contracted GFA among Top 50 China Property Management Companies (中國物業服務企業合約規模榜五十強) by CRIC China (易居克而瑞 (中國)), 37th in terms of GFA under management among Top 100 China Property Management Companies (中國物業服務企業在管規模榜百強), and ranked among Top 50 China Property Management Companies in terms of Quality Service (中國物業服務企業服務力五十強) by CRIC China.

As at the date of this announcement, the Target Interest has been transferred to CG Property Services HK; the Target Company has become an indirect wholly-owned subsidiary of the Company, and its results, assets and liabilities have been consolidated into the accounts of the Group. The shareholding structures of the Target Company immediately preceding the Closing Date and as at the date of this announcement are as follows:

Shareholder	Shareholding percentage immediately preceding the Closing Date (Approximate)	Shareholding percentage as at the date of this announcement
Chuangchen	66.81%	—
Chuangzhuo	13.13%	—
Chuangyuan	1.64%	—
Tycoon Ample	1.87%	—
Chuangzhi (holding on behalf of the Existing Senior Management)^	7.97%	—
Chuangtong (holding on behalf of the Existing Senior Management)^	2.34%	—
CG Property Services HK	6.24%	100%
	<hr/>	<hr/>
Total	100%	100%
	<hr/> <hr/>	<hr/> <hr/>

^ Immediately preceding the Closing Date, the Nominee Interest was wholly beneficially owned by the Existing Senior Management, in particular owned by Mr. Yang, Mr. Jiang Muren, Mr. Li and Mr. Ma as to approximately 53.72%, 7.27%, 4.55% and 3.82%, respectively. Save for Mr. Yang and Mr. Jiang, no other member of the Existing Senior Management individually owns more than 5% of the Nominee Interest.

The unaudited consolidated net assets of the Target Company (upon reorganization and excluding the Excluded Business) as at 31 December 2021 were approximately RMB386,847,303 (under China Accounting Standards for Business Enterprises). The Target Company's unaudited consolidated net profit for the year ended 31 December 2021 (under China Accounting Standards for Business Enterprises, upon reorganization and excluding the Excluded Business) and audited consolidated net profit for the year ended 31 December 2020 (under the Hong Kong Financial Reporting Standards, before completion of reorganization and disposal of the Excluded Business) are as follows:

	<i>Unit: RMB'000</i>	
	For the year ended 31 December	
	2021	2020
	Unaudited	Audited
	(Approximate)	(Approximate)
Net profit before taxation	179,949	117,169
Net profit after taxation	134,962	86,229

LISTING RULES IMPLICATIONS

As all applicable percentage ratios in respect of the Acquisition are less than 5%, but part of the consideration will be paid through issue of the Consideration Shares, the Acquisition constitutes a share transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION OF THE PARTIES

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 and “Three Supplies and Property Management” businesses (currently including property management services and heat supply business), city services and commercial operational services.

CG Property Services HK is an indirect wholly-owned subsidiary of the Company and its subsidiaries are principally engaged in the provision of 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), city services and commercial operational services.

Chuangchen, Chuangzhuo, Chuangyuan, Tycoon Ample, Chuangzhi and Chuangtong are all companies incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding.

Shanghai Zhongchengyun is a company established in accordance with the laws of the PRC with limited liability and is principally engaged in the city operation services.

Mr. Yang, Mr. Li and Mr. Ma are all PRC citizens.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Interest by CG Property Services HK in accordance with the Amended Equity Purchase Agreements
“Amended Equity Purchase Agreements”	collectively, the Original Majority Equity Purchase Agreement and the Original Minority Equity Purchase Agreement as amended by the Supplemental Agreements
“Board”	the board of directors of the Company

“CG Property Services HK”	Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司), a company established under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Chuangchen”	Chuangchen International Co., Ltd. (創辰國際有限公司), a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by Intertrust (Singapore) Ltd., the trustee of The Yang Family Trust, as a nominee. The Yang Family Trust is a discretionary trust established by Mr. Yang as settlor and protector for the benefit of Mr. Yang and his family
“Chuangtong”	Chuangtong International Co., Ltd. (創同國際有限公司), a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by Mr. Ma
“Chuangyuan”	Chuangyuan International Co., Ltd. (創沅國際有限公司), a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by Ms. Xu Xiaoqun, spouse of Mr. Yang
“Chuangzhi”	Chuangzhi International Co., Ltd. (創志國際有限公司), a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by Mr. Li
“Chuangzhuo”	Chuangzhuo International Co., Ltd. (創卓國際有限公司), a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by Mr. Yang
“Closing Date”	the date on which the transfer of the Target Interest to CG Property Services HK and the relevant procedures for filing and registration were completed, being 23 March 2022
“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(s)”	has the meanings ascribed to it under the Listing Rules
“Consideration Shares”	the new Shares proposed to be issued by the Company to the Vendors as part of the consideration in accordance with the Amended Equity Purchase Agreements, being collectively the Majority Consideration Shares and the Minority Consideration Shares

“Date of Original Agreements”	11 February 2022
“Director(s)”	the director(s) of the Company
“Excluded Business”	the designated business projects and equity interests of companies which were directly or indirectly held by the Target Company on the Date of Original Agreements but will be disposed of within the specified period, and which will not be included in the scope of the Acquisition
“Existing Senior Management”	a total of 21 designated officers employed by the Target Group or the related parties of the Vendors on the Date of Original Agreements, including Mr. Yang, Mr. Li and Mr. Ma. Certain members of the Existing Senior Management (excluding Mr. Yang, Mr. Li and Mr. Ma) are expected to remain in the Target Group after the Closing Date
“Fifth Part of Consideration”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“First Part of Consideration”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“Fourth Part of Consideration”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“General Mandate”	the general mandate granted to the Directors pursuant to the relevant shareholder resolution passed at the annual general meeting of the Company held on 28 May 2021
“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 People’s Republic of China

“Injected Projects”	including (i) the new property management projects delivered by the related parties of the Majority Vendors to the Target Group from time to time since 1 January 2022; and (ii) the new property management projects for which the Target Group enters into contracts following 1 January 2022 and up to the completion of the Acquisition; in each case above, the projects shall meet the specified criteria and conditions and the Target Group shall have the right to undertake the projects in accordance with the terms specified in the Amended Equity Purchase Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Consideration Shares”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“Majority First Supplemental Agreement”	the supplemental agreement to the Original Majority Equity Purchase Agreement entered into among the Company, CG Property Services HK and the Majority Vendors on 29 March 2022
“Majority Second Supplemental Agreement”	the second supplemental agreement to the Original Majority Equity Purchase Agreement and the Majority First Supplemental Agreement entered into among CG Property Services HK, the Majority Vendors and Shanghai Zhongchengyun on 29 March 2022
“Majority Vendors”	collectively, Chuangchen, Chuangzhuo, Chuangyuan, Tycoon Ample and Mr. Yang
“Minority Consideration Shares”	collectively, the Minority PUM Consideration Shares and the Minority PIT Consideration Shares
“Minority First Supplemental Agreement”	the supplemental agreement to the Original Minority Equity Purchase Agreement entered into among the Company, CG Property Services HK, the Minority Vendors and Mr. Yang on 29 March 2022
“Minority PIT Consideration Shares”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition

“Minority PUM Consideration Shares”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“Minority Second Supplemental Agreement”	the second supplemental agreement to the Original Minority Equity Purchase Agreement and the Minority First Supplemental Agreement entered into among CG Property Services HK, the Minority Vendors and Shanghai Zhongchengyun on 29 March 2022
“Minority Vendors”	collectively, Chuangzhi, Chuangtong, Mr. Li and Mr. Ma
“Mr. Li”	Mr. Li Jiacheng (李家城)
“Mr. Ma”	Mr. Ma Fei (馬飛)
“Mr. Yang”	Mr. Yang Jian (楊劍)
“Net Profit After NRI”	in relation to any period, the net profit attributable to the parent company after deduction of non-recurring gains and losses
“Nominee Interest”	a total of approximately 10.31% equity interest in the Target Company held by Chuangzhi and Chuangtong as nominees of the Existing Senior Management immediately preceding the Closing Date
“Non-property Owners Value-added Business Under Management”	the services provided by the Target Group to its non-property owner customers (including property developers and other property management companies)
“Original Majority Equity Purchase Agreement”	the agreement dated 11 February 2022 between CG Property Services HK and the Majority Vendors, pursuant to which CG Property Services HK agreed to acquire approximately 83.45% equity interest in the Target Company
“Original Minority Equity Purchase Agreement”	the agreement dated 11 February 2022 between CG Property Services HK and the Minority Vendors, pursuant to which CG Property Services HK agreed to acquire approximately 10.31% equity interest in the Target Company
“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)

“Projects In Transit”	the projects for which the Target Group has entered into contracts and which have not been taken over yet as at 31 December 2021, including the part of the projects to be delivered in phases for which contracts have been entered into but which are not taken over yet
“Projects Under Management”	the projects for which the Target Group was providing property management services as at 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Second Part of Consideration”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“Shanghai Zhongchengyun”	Shanghai Zhongchengyun City Construction Services Co., Ltd. (上海中城雲城市建設服務有限公司), a company established in accordance with the laws of the PRC with limited liability and a related party of the Majority Vendors; for the avoidance of doubt, Shanghai Zhongchengyun is one of the companies in the Excluded Business proposed to be disposed of and will not be a member of the Target Group upon disposal
“Share(s)”	ordinary share(s) with a par value of US\$0.0001 each in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	collectively, the Majority First Supplemental Agreement, the Minority First Supplemental Agreement, the Majority Second Supplemental Agreement and the Minority Second Supplemental Agreement
“Target Company”	Everjoy Services Company Limited (中梁百悦智佳服務有限公司), a company established in accordance with the laws of the Cayman Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“Target Interest”	the shares of the Target Company held by Chuangchen, Chuangzhuo, Chuangyuan, Tycoon Ample, Chuangzhi and Chuangtong immediately preceding the Closing Date, together accounting for approximately 93.76% of the issued shares of the Target Company

“Third Part of Consideration”	please refer to the section headed “Principal terms of the Amended Equity Purchase Agreements — Maximum consideration and payment method” in this announcement for its definition
“Tycoon Ample”	Tycoon Ample Limited (亨盛有限公司), a company incorporated in the British Virgin Islands with limited liability and directly wholly-owned by Mr. Yung, Jeffrey Yan-Leun
“Vendors”	collectively, the Majority Vendors and the Minority Vendors
“%”	per cent

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

Foshan, China, 29 March 2022

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.