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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)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO ACQUISITION OF SHARES IN
HOPEFLUENT GROUP HOLDINGS LIMITED**

Financial Adviser to the Company



CITIC SECURITIES

This announcement is made by Country Garden Services Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors with information on the latest business development of the Group.

THE ACQUISITION

On 9 November 2022, Country Garden Property Services HK Holdings Company Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) and other ancillary agreements (together with the Equity Transfer Agreement, the “**Agreements**”) with, among others, Fu’s Family Limited (the “**Vendor**”). Pursuant to the Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire from the Vendor 144,753,495 shares in Hopefluent Group Holdings Limited (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”), representing approximately 21.47% of the issued share capital of the Target Company (the “**Acquisition**”), for a total consideration of approximately HK\$233.05 million. The consideration is expected to be funded by the internal resources of the Group. Upon completion of the Acquisition, the Company will hold approximately 25.00% of the issued share capital of the Target Company.

Completion of the Acquisition is expected to take place on or before 31 December 2022, subject to fulfillment of the conditions precedent under the Equity Transfer Agreement.

In addition, with the strategic goal of long-term cooperation between the Group and the Target Group, pursuant to the Agreements, among other matters, (i) the Purchaser will have the right to nominate two persons for appointment as executive or non-executive directors of the Target Company upon completion of the Acquisition; (ii) the Vendor, Mr. Fu Wai Chung, Ms. Ng Wan, China-Net Holding Ltd., Happy Chord Limited, and Simple Heart Limited (collectively the “**Vendor Group**”) will provide a two-year lock-up undertaking in respect of the remaining shares in the Target held by them upon completion of the Acquisition (the “**Remaining Shares**”); and (iii) the Purchaser shall have a right of first refusal for a period of four years after completion of the Acquisition in the event that any member of the Vendor Group offers to sell the Remaining Shares to any third party.

INFORMATION ON THE TARGET COMPANY

The Target Company is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 733). The Target Company and its subsidiaries are principally engaged in provision of property real estate agency services, mortgage referral and loan financing services.

As at the date of this announcement, the Company, through the Purchaser, owns 23,784,002 shares in the Target Company, representing approximately 3.53% of the issued share capital of the Target Company. Immediately upon completion of the Acquisition, the Company will, through the Purchaser, own a total of 168,537,497 shares in the Target Company, representing approximately 25.00% of the issued share capital of the Target Company, and the Target Company will be accounted for as an associated company of the Group.

Based on information available to the Company, the table below sets out the shareholding structure of the Target Company as at the date of this announcement and immediately after completion of the Acquisition, assuming there is no other change in the shareholding structure of the Target Company from the date of this announcement up to the date of completion of the Acquisition.

	As at the date of this announcement		Immediately after completion of the Acquisition	
	Number of shares	%	Number of shares	%
The Vendor (<i>Note 1</i>)	174,184,799	25.84%	29,431,304	4.37%
Mr. Fu Wai Chung (<i>Note 2</i>)	28,024,334	4.16%	28,024,334	4.16%
Ms. Ng Wan (<i>Note 3</i>)	7,398,334	1.10%	7,398,334	1.10%
China-Net Holding Ltd. (<i>Note 4</i>)	112,418,263	16.68%	112,418,263	16.68%
Happy Chord Limited (<i>Note 5</i>)	18,344,077	2.71%	18,344,077	2.71%
Simple Heart Limited (<i>Note 6</i>)	78,319,938	11.62%	78,319,938	11.62%
Sub-total	<u>418,689,745</u>	<u>62.11%</u>	<u>273,936,250</u>	<u>40.64%</u>
The Purchaser	<u>23,784,002</u>	<u>3.53%</u>	<u>168,537,497</u>	<u>25.00%</u>
Public shareholders	<u>231,676,242</u>	<u>34.36%</u>	<u>231,676,242</u>	<u>34.36%</u>
Total	<u>674,149,989</u>	<u>100%</u>	<u>674,149,989</u>	<u>100%</u>

Notes:

- The Vendor is owned as to 70% by Mr. Fu Wai Chung, 15% by Ms. Ng Wan and 15% by Ms. Fu Man.
- Mr. Fu Wai Chung is an executive director and the chairman of the board of directors of the Target Company.
- Ms. Ng Wan is a non-executive director of the Target Company and the spouse of Mr. Fu Wai Chung.
- China-Net Holding Ltd. is a company incorporated in the British Virgin Islands, and based on publicly available information, is wholly-owned by Mr. Fu Wai Chung.
- Happy Chord Limited is a company incorporated in the British Virgin Islands, and based on publicly available information, is wholly-owned by China-Net Holding Ltd.
- Simple Heart Limited is a company incorporated in the British Virgin Islands, and based on publicly available information, is wholly-owned by Mr. Fu Ear Ly.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a leading integrated real estate service provider in China covering diversified businesses, including property management services for residential and commercial projects, office buildings, industrial parks, public facilities, etc. Being committed to becoming an “integrated whole-cycle community life services operator”, the Group has created a complete community life service ecosystem, and also developed to provide community value-added services, with real estate brokerage service catering the needs of property owners for asset management and further developing second-hand property rental and sale, as one of its core business segments. In addition, the Group also provides value-added services to non-property-owners including management consultancy services, sales and leasing agency services, etc. The Group is also engaged in “Three Supplies and Property Management” businesses (currently including property management services and heat supply business) and the provision of city services and commercial operational services.

According to the published 2022 interim report of the Target Company, the Target Group is a long-established real estate agency services provider. Given the Target Group’s years of practice in the market and long-term accumulation of customer resources, it has begun combining its offline marketing strengths with a digital business model, to maintain its operational capability at the forefront of the industry. Its real estate agency services business covers more than 1,700 agency projects in over 200 cities in mainland China.

It is anticipated that the Acquisition will allow the Group to enhance its business development in the real estate agency business and property value-added services by promoting and strengthening the future cooperation and complementary advantages between the Group and the Target Group. The Target Group’s resources, reputation and experience in the real estate agency services can be beneficial to the Group. Furthermore, the Group and the Target Group can share their online channels and offline resources in the real estate agency services segment to improve operation efficiency.

INFORMATION ON THE PARTIES INVOLVED

The Purchaser is a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, the Purchaser is principally engaged in investment holding.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Vendor is owned as to 70% by Mr. Fu Wai Chung, 15% by Ms. Ng Wan and 15% by Ms. Fu Man.

To the best knowledge, information and belief of the directors of the Company after making reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

LISTING RULES IMPLICATIONS

As all applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

The completion of the Acquisition is subject to certain conditions under the Equity Transfer Agreement and may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Foshan, China, 9 November 2022

As of the date of this announcement, the executive directors of the Company are Mr. LI Changjiang (President), Mr. XIAO Hua and Mr. GUO Zhanjun. The non-executive director of the Company is Ms. YANG Huiyan (Chairman). The independent non-executive directors of the Company are Mr. MEI Wenjue, Mr. RUI Meng and Mr. CHEN Weiru.