

*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.*

## **COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED**

**碧 桂 園 服 務 控 股 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6098)**

## **CONTINUING CONNECTED TRANSACTIONS WITH CG HOLDINGS — ELEVATORS INSTALLATION AND OTHER SERVICES FRAMEWORK AGREEMENT**

On 18 March 2020, the Company entered into the Elevators Installation and Other Services Framework Agreement with CG Holdings, which sets out the principal terms for the provision of Elevators Installation and Other Services, by the Group to CGH Group for a term commencing on 18 March 2020 until 31 December 2020.

### **LISTING RULES IMPLICATIONS**

Since CG Holdings is a 30%-controlled company indirectly held by Ms. YANG Huiyan, a Non-executive Director and the controlling shareholder of the Company, it is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Transactions contemplated under the Elevators Installation and Other Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The annual cap for the transactions contemplated under the Elevators Installation and Other Services Framework Agreement for the year ending 31 December 2020 is RMB460 million. All the applicable percentage ratios under the Listing Rules calculated based on such annual cap, when calculated on a standalone basis, exceed 0.1% but are less than 5%. If the Elevators Installation and Other Services, the Advertising Services, the Domestic Services and the Consultancy and Other Services are aggregated together pursuant to Rule 14A.81 of the Listing Rules, one or more of the applicable percentage ratios would exceed 5%. Nonetheless, as (i) the Company had already complied with all the connected transactions requirements (including the independent shareholders' approval requirement) for the Consultancy and Other Services for the three years ending 31 December 2020 and the Company is thus not required to aggregate the Elevators Installation and Other Services with those Consultancy and Other Services; and (ii) all of the applicable percentage ratios for the annual caps of the Elevators Installation and Other Services, the Domestic Services and the Advertising Services (when aggregated together) would exceed 0.1% but less than 5%, the Elevators Installation and Other Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

On 18 March 2020, the Company entered into the Elevators Installation and Other Services Framework Agreement with CG Holdings. During the term of the Elevators Installation and Other Services Framework Agreement, members of the Group may from time to time enter into individual agreements with members of CGH Group for the provision of Elevators Installation and Other Services in accordance with the principal terms of the Elevators Installation and Other Services Framework Agreement.

## **ELEVATORS INSTALLATION AND OTHER SERVICES FRAMEWORK AGREEMENT**

- Date : 18 March 2020
- Parties : (1) The Company; and  
(2) CG Holdings
- Term : From 18 March 2020 until 31 December 2020
- Services to be provided : The CGH Group has engaged the Group for provision of elevator products installation and supporting services and other services.
- Price : The fees for the provision of the Elevators Installation and Other Services shall be determined after arm's length negotiations taking into account costs involved in the provision of the services (including the costs of materials, manpower and the management fees), with reference to the rate of fees under other contracts for similar elevators installation and other services entered into by each party (if any), and the prevailing market prices of similar services.
- Payment : The fees for the elevators installation services will be payable by the CGH Group to the Group within 15 days after the relevant elevator products and/or services have passed the inspection by local government authorities. The fees for the other services will be payable by the CGH Group to the Group within one month after delivery of the relevant services.

### **Annual caps and basis of determination**

The annual cap for fees payable by CGH Group to the Group (excluding tax) for the Elevators Installation and Other Services for the year ending 31 December 2020 is RMB460 million (equivalent to approximately HK\$510 million).

The above proposed annual cap was determined after having taken into account (i) the estimated transaction amount for the provision of Elevators Installation and Other Services by the Group to CGH Group for the year ending 31 December 2020; (ii) the Group's reference to the market rate for the provision of similar services in the same industry; and (iii) the rates of fees to be charged by the Group for the provision of the relevant services.

## **Pricing policy**

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the CGH Group from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) the relevant member of the Group shall conduct market research on (if available) three Independent Third Parties in the surrounding areas of the relevant property project and make reference to the prevailing prices charged by such Independent Third Parties for providing similar services to ensure that the transaction price is no less favorable to the Group than those available from Independent Third Parties;
- (c) the Group will also determine the price by making reference to (if available) other market reference prices such as prices of similar transactions conducted by other elevators installation and related services provider companies in the PRC which the Group considers to be matching, fair and competitive, to ensure the relevant fees would not be lower than those charged by Independent Third Parties; and
- (d) should there be any material discrepancies between the price charged by the Group and that charged by Independent Third Parties, the price chargeable by the Group will be adjusted accordingly.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Company considers that the entering into of the Elevators Installation and Other Services Framework Agreement helps raise the Group's income from value-added services, which will thereby increase the total revenue and improve the profitability of the Group, and is in conformity with the Group's strategic development needs.

The Directors (including the Independent Non-executive Directors) consider that the Elevators Installation and Other Services 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 the terms of which are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Since (i) Ms. YANG Huiyan is the controlling shareholder of CG Holdings; (ii) Mr. YANG Zhicheng is a cousin of Ms. YANG Huiyan; and (iii) Ms. WU Bijun is the Vice President and Chief Financial Officer of CG Holdings, all of them being Directors have abstained from voting on the resolutions at the Board meeting approving the Elevators Installation and Other Services Framework Agreement and the transactions contemplated thereunder to avoid any conflicts of interest.

## **LISTING RULES IMPLICATIONS**

Since CG Holdings is a 30%-controlled company indirectly held by Ms. YANG Huiyan, a Non-executive Director and the controlling shareholder of the Company, it is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Transactions contemplated under the Elevators Installation and Other Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The annual cap for the Elevators Installation and Other Services for the year ending 31 December 2020 is RMB460 million. All the applicable percentage ratios under the Listing Rules calculated based on such annual cap exceeds 0.1% but less than 5%. If the Elevators Installation and Other Services, the Advertising Services, the Domestic Services and the Consultancy and Other Services are aggregated together pursuant to Rule 14A.81 of the Listing Rules, one or more of the applicable percentage ratios would exceed 5%. Nonetheless, as (i) the Company had already complied with all the connected transactions requirements (including the independent shareholders' approval requirement) for the Consultancy and Other Services for the three years ending 31 December 2020 (for details, please refer to the announcement of the Company dated 18 September 2018 and the circular of the Company dated 5 November 2018) and the Company is thus not required to aggregate the Elevators Installation and Other Services with those Consultancy and Other Services; and (ii) all of the applicable percentage ratios for the annual caps of the Elevators Installation and Other Services, the Domestic Services and the Advertising Services (when aggregated together) would exceed 0.1% but less than 5%, the Elevators Installation and Other Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

## **GENERAL**

The Company (an investment holding company) and its subsidiaries are principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners. As at the date of this announcement, Ms. YANG Huiyan is indirectly interested in approximately 53.45% of the total issued share capital of the Company.

CG Holdings is one of the PRC's largest residential property developers that capitalizes on urbanization. With centralized 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, 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. The CGH Group's other businesses are robotics and modern agriculture. Ms. YANG Huiyan, the Co-Chairman and an executive director of CG Holdings, holds approximately 57.66% of the total issued share capital of CG Holdings through an investment holding company which she entirely owns.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“Advertising and Domestic Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 23 August 2019 which sets out the principal terms for the provision of Advertising Services and Domestic Services by the Group to CGH Group for a term commencing on 23 August 2019 until 31 December 2020 (particulars of which are disclosed in the announcement of the Company dated 23 August 2019)
“Advertising Services”	the provision of advertising services (which comprise installation, maintenance and dismantling services) by the Group to CGH Group in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the Group pursuant to the Advertising and Domestic Services Framework Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CG Holdings”	Country Garden Holdings Company Limited, 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
“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 meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Consultancy and Other Services”	consultancy services and other services provided by the Group to CGH Group pursuant to the framework agreement entered into between the Company and CG Holdings on 1 June 2018 which sets out the principal terms for the provision of Consultancy and Other Services by the Group to CGH Group for a term commencing on 19 June 2018 until 31 December 2020 and the supplement agreement thereto dated 18 September 2018 to revise the annual caps for fees in relation to sales of properties and other services, including but not limited to consultancy services on the operational management of the on-site sales offices of CGH Group, and cleaning services for the properties developed by CGH Group before delivery to purchasers of property units of the CGH Group
“Directors”	the directors of the Company
“Domestic Services”	the provision of domestic services including home cleaning, household appliances cleaning, garden maintenance, home maintenance and other domestic services by the Group to the purchasers of property units of the CGH Group pursuant to the Advertising and Domestic Services Framework Agreement
“Elevators Installation and Other Services”	the provision of elevator products installation and supporting services and other services by the Group to CGH Group pursuant to the Elevators Installation and Other Services Framework Agreement
“Elevators Installation and Other Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 18 March 2020 which sets out the principal terms for the provision of Elevators Installation and Other Services by the Group to CGH Group for a term commencing on 18 March 2020 until 31 December 2020
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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

“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)
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*In this announcement, RMB has been converted to HK\$ at the rate of HK\$1 = RMB0.90209 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

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

Hong Kong, 18 March 2020

*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.*