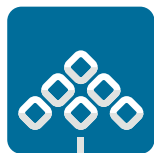


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**碧桂园服务**  
COUNTRY GARDEN SERVICES

**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)**

## **INSIDE INFORMATION ASSET IMPAIRMENT**

This announcement is made by Country Garden Services Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

According to the recent review of the financial condition of the Group, based on the principle of prudence, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that an assessment on the expected credit losses for trade receivables from related parties and impairment testing of goodwill have been conducted in accordance with the Hong Kong Financial Reporting Standards respectively, based on the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2023 (the “**Management Accounts**”), and impairment provisions are to be made for assets with impairment indicators in accordance with the results of the assessment and impairment testing.

- (I) An impairment provision from approximately RMB1,800 million to RMB2,300 million has been made for the trade receivables due from the related parties of the Group (the “**Provision for Impairment of Trade Receivables**”) based on the principle of prudence. It was mainly due to the fact that:

The supply and demand in China’s real estate market have changed significantly. The related party customers of the Group are engaged in real estate development and related business and are under periodical liquidity pressures. Therefore, the Company made a significant Provision for Impairment of Trade Receivables from related parties based on the principle of prudence. According to the progress of collecting receivables from related parties, the Company has actively adjusted its business strategy relating to related

parties with a decrease in the business scales with related parties as compared to 2022. The Company also maintained close communication with related parties and continued to promote the implementation of various measures for collecting trade receivables at its best efforts.

- (II) An impairment from approximately RMB1,400 million to RMB1,800 million has been made for the goodwill and other intangible assets of the Group (the “**Impairment of Goodwill and Other Intangible Assets**”). It was mainly due to the fact that:

The business expansion and value-added business of some subsidiaries acquired by the Group in previous years have not been carried out as scheduled and some existing business has been adjusted, leading to declines in revenues and profits. Meanwhile, the long payment period of some customers resulted in unsatisfactory cash flows.

In conclusion, based on the Management Accounts, the Company expects that the net profit for the financial year ending 31 December 2023 will decrease by approximately RMB3,200 million to RMB4,100 million due to the expected recognition of the Provision for Impairment of Trade Receivables and the Impairment of Goodwill and Other Intangible Assets.

The Group wishes to emphasize that the above Provision for Impairment of Trade Receivables and the Impairment of Goodwill and Other Intangible Assets will not have any impact on the cash flow for the operation of the Group.

The Group currently has adequate working capital and stable business operation and the above-mentioned matters will not affect the normal operation of the Group. The management of the Company is assessing the impact of the above-mentioned matters, especially their financial impact on the consolidated financial statements of the Group for the financial year ending 31 December 2023. The Board will keep monitoring the developments of the above-mentioned matters, and make further announcements on any material updates in due course.

It should be noted that the financial year ending 31 December 2023 is not yet over, and the audited consolidated financial statements of the Company for the financial year ending 31 December 2023 (the “**Annual Results**”) are yet to be prepared. The information contained in this announcement is only based on the information currently available to the Group and the preliminary assessment made by the Board on the Management Accounts, which has not been confirmed, reviewed or audited by the auditors or the audit committee of the Company. Therefore, there may be differences between the actual Annual Results together with relevant financial information and the information disclosed in this announcement. The shareholders and potential investors of the Company should read the Company’s annual results announcement for the year ending 31 December 2023 carefully, which is scheduled to be published in mid-to-late March 2024.

**The shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and securities of the Company.**

By order of the Board  
**Country Garden Services Holdings Company Limited**  
**XU Binhuai**  
*President and Executive Director*

Foshan, China, 18 December 2023

*As at the date of this announcement, the executive directors of the Company are Mr. XU Binhuai (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.*