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COUNTRY GARDEN HOLDINGS COMPANY LIMITED

碧桂園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2007)

DISCLOSEABLE TRANSACTION COOPERATION AGREEMENT IN RELATION TO DEVELOPMENT OF GUANGZHOU PROPERTY

INTRODUCTION

The Board is pleased to announce that on 23 March 2024, Guangzhou Xingchengsi (an indirect non-wholly-owned subsidiary of the Company) entered into the Cooperation Agreement with Guangdong Zhongwei and the Project Company, pursuant to which, among other things, Guangzhou Xingchengsi and Guangdong Zhongwei agreed to jointly construct and develop the Building on the Guangzhou Property for sale through the Project Company. As at the date of this announcement, Guangzhou Xingchengsi owns 100% equity interest in the Project Company, which in turn owns the land use rights in the Guangzhou Property for 40 years ending 6 August 2057 (for commercial, tourism and entertainment use) and 50 years ending 6 August 2067 (for comprehensive or other use). Pursuant to the Cooperation Agreement, Guangzhou Xingchengsi was deemed to have provided a fund of RMB3.1 billion to the Project Company, and Guangdong Zhongwei agreed to provide further funding of approximately RMB2.8 billion in aggregate for the Project in return for, among other things:

- (1) 1% of the equity interest in the Project Company within 60 days from the date of the Cooperation Agreement (i.e. the First Proposed Disposal);
- (2) 94% of the equity interest in the Project Company after Guangdong Zhongwei has provided the amount of RMB10.3808 million to the Project Company as the First Loan Provision (i.e. the Second Proposed Disposal);

- (3) the Entitlement calculated based on the Entitlement Ratio (for illustration, based on the RMB2.8 billion estimated commitment of Guangdong Zhongwei and the RMB3.1 billion deemed commitment of Guangzhou Xingchengsi, the estimated Entitlement of Guangdong Zhongwei and Guangzhou Xingchengsi will be 47.457% and 52.543% of the units of the Building and the relevant sale proceeds respectively);
- (4) voting rights in the Project Company proportionate to Guangdong Zhongwei's Entitlement Ratio, which will be increased to 51% upon Capping, 95% upon Construction Completion and 100% upon completion of the Third Proposed Disposal; and
- (5) 100% of the equity interest in the Project Company when Guangzhou Xingchengsi's Entitlement has substantially been realised (i.e. the Third Proposed Disposal).

In addition, Guangzhou Xingchengsi and Guangdong Zhongwei also entered into the Supplemental Agreement on the same date to set out further provisions in respect of the potential impact of the Mortgage on the performance of the Cooperation Agreement.

LISTING RULES IMPLICATIONS

The entering into of the Cooperation Agreement

As the highest applicable percentage ratio in respect of the entering into of the Cooperation Agreement exceeds 5% but is less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

The Proposed Disposals

As all the applicable percentage ratios in respect of the Proposed Disposals are less than 5%, the Proposed Disposals (on aggregated basis) constitute de minimis transactions of the Company for the purpose of Chapter 14 of the Listing Rules.

For the avoidance of doubt, as the Project Company is an insignificant subsidiary of the Company during the period as a subsidiary of the Company with reference to the financial information of the Company and the Project Company for the three years ended 31 December 2023, it is expected that Guangdong Zhongwei will not become a connected person of the Company and the Proposed Disposals will not constitute connected transactions of the Company.

The Possible Repurchases

As all the applicable percentage ratios in respect of each of the Possible Repurchases are less than 5%, all of the Possible Repurchases constitute de minimis transactions of the Company for the purpose of Chapter 14 of the Listing Rules.

INTRODUCTION

The Project Company obtained the Guangzhou Property in 2017 via open market tender, auction and bidding and acquired the land use rights in the Guangzhou Property in 2018. The Guangzhou Property is located in the core area of Baietan Business District, Liwan District, Guangzhou (廣州市荔灣區白鵝潭商務區核心區). The site area of the Guangzhou Property is 13,968 square meters, with a plot ratio of 15 and a plot ratio-based gross floor area of approximately 209,520 square meters, and the land is designated for commercial and business uses. The Building (a 64-storey high-rise commercial building with 5 basement floors) is planned to be constructed on the Guangzhou Property. Pursuant to the valuation report dated 21 March 2024 issued by Guangdong Tongde Real Estate Land Asset Evaluation and Planning Surveying and Mapping Co., Ltd.* (廣東同德房地產土地資產評估與規劃測繪有限公司), as at 29 February 2024, the market value of the land use rights in the Guangzhou Property was RMB3,121,848,000, determined with reference to the remaining period of the land use rights, the plot ratio, the building density, the existing development status as well as the leveling of the site by the valuation methods of assumed development (假設開發法) and benchmark land price coefficient correction (基準地價系數修正法), on the assumption that there will be no significant changes in national macroeconomic policies and events of force majeure. As at the date of this announcement, the required certificates and approval documents for the development and construction of the Building on the Guangzhou Property have been obtained. However, the construction work at the Guangzhou Property has been suspended with only the underground diaphragm wall and three internal supports substantially completed and excavation in progress.

The Project is hindered by various complexities. For instance, the assets of one of the intermediate shareholders of the Project Company (being a fellow subsidiary of the Company) are currently subject to a freezing order for the period from 20 February 2023 to 19 February 2026 issued by the Guangdong Provincial Higher People's Court (the "**Order**") (for the avoidance of doubt, the Order does not prevent the entering into of the Cooperation Agreement and the transactions contemplated thereunder). Furthermore, the Guangzhou Property itself is currently mortgaged to certain mortgagees (the "**Mortgagees**") as security for the medium-term notes due 2025 in the amount of RMB1.7 billion issued by Country Garden Real Estate Group Co., Ltd. (a fellow subsidiary of the Company) in 2023 (the "**Notes**") for a term from 12 April 2023 to 30 June 2027 (the "**Mortgage**"). Given such complexities and the substantial funds that will be required for the Project (it is currently estimated that approximately RMB2.8 billion will be required to attain Construction Completion), it is very difficult for the Group to resume

construction or dispose of the Guangzhou Property. The introduction of Guangdong Zhongwei as a partner for the joint development of the Guangzhou Property will be a timely and much-needed solution to the difficulties faced by the Group in realising the Guangzhou Property.

As such, the Board is pleased to announce that on 23 March 2024, Guangzhou Xingchengsi (an indirect non-wholly-owned subsidiary of the Company) entered into the Cooperation Agreement with Guangdong Zhongwei and the Project Company, pursuant to which, among other things, Guangzhou Xingchengsi and Guangdong Zhongwei agreed to jointly construct and develop the Building on the Guangzhou Property for sale through the Project Company. As at the date of this announcement, Guangzhou Xingchengsi owns 100% equity interest in the Project Company, which in turn owns the land use rights in the Guangzhou Property for 40 years ending 6 August 2057 (for commercial, tourism and entertainment use) and 50 years ending 6 August 2067 (for comprehensive or other use). Pursuant to the Cooperation Agreement, Guangzhou Xingchengsi was deemed to have provided a fund of RMB3.1 billion to the Project Company, and Guangdong Zhongwei agreed to provide further funding of approximately RMB2.8 billion in aggregate for the Project in return for, among other things:

- (1) 1% of the equity interest in the Project Company within 60 days from the date of the Cooperation Agreement (i.e. the First Proposed Disposal);
- (2) 94% of the equity interest in the Project Company after Guangdong Zhongwei has provided the amount of RMB10.3808 million to the Project Company as the First Loan Provision (i.e. the Second Proposed Disposal);
- (3) the Entitlement calculated based on the Entitlement Ratio (for illustration, based on the RMB2.8 billion estimated commitment of Guangdong Zhongwei and the RMB3.1 billion deemed commitment of Guangzhou Xingchengsi, the estimated Entitlement of Guangdong Zhongwei and Guangzhou Xingchengsi will be 47.457% and 52.543% of the units of the Building and the relevant sale proceeds respectively);
- (4) voting rights in the Project Company proportionate to Guangdong Zhongwei's Entitlement Ratio before Capping, which will be increased to 51% upon Capping, 95% upon Construction Completion and 100% upon completion of the Third Proposed Disposal; and
- (5) 100% of the equity interest in the Project Company when Guangzhou Xingchengsi's Entitlement has substantially been realised (i.e. the Third Proposed Disposal).

In addition, Guangzhou Xingchengsi and Guangdong Zhongwei also entered into the Supplemental Agreement on the same date to set out further provisions in respect of the potential impact of the Mortgage on the performance of the Cooperation Agreement.

THE COOPERATION AGREEMENT

The principal terms of the Cooperation Agreement are summarised as follows:

- Date** : 23 March 2024
- Parties** : (1) Guangzhou Xingchengsi (an indirect non-wholly-owned subsidiary of the Company);
(2) Guangdong Zhongwei; and
(3) the Project Company
- Parties' Commitments** : *Commitment of Guangzhou Xingchengsi*

Guangzhou Xingchengsi was deemed to have provided a fund of RMB3.1 billion to the Project Company, mainly including the amount of land premium paid (i.e. RMB2.595 billion), construction costs paid (i.e. RMB164 million) and deemed interest on such amount paid at the rate of 6% p.a. for 2 years (i.e. RMB311 million).

The amount of interest was determined by the parties to the Cooperation Agreement after arm's length negotiation, with reference to (a) the usual period required for a piece of land similar to the Guangzhou Property to be developed to its current status, which is 2 years; and (b) the agreed interest rate of 6% p.a. on the fundings provided determined by the parties after arm's length negotiation.

Commitment of Guangdong Zhongwei

Guangdong Zhongwei agreed to provide further funding of approximately RMB2.8 billion in aggregate to the Project Company according to the terms of the Cooperation Agreement, which shall comprise:

- (1) the consideration for 100% of the equity interest in the Project Company in the aggregate amount of RMB10 million (determined with reference to the registered and paid-up capital and the market value of its shareholders' equity of the Project Company) payable by Guangdong Zhongwei to Guangzhou Xingchengsi according to the payment schedule as set out in the section headed "The Proposed Disposals and the payment schedule" below.

For the avoidance of doubt, the consideration for the equity interest in the Project Company payable by Guangdong Zhongwei to Guangzhou Xingchengsi shall be counted towards the former's commitment to the Project Company. Any amount so received by Guangzhou Xingchengsi before Capping shall be provided to the Project Company by way of shareholder's loan, otherwise the Entitlement of Guangzhou Xingchengsi will be reduced by the amount received; and

- (2) shareholder's loans in the aggregate amount of approximately RMB2.79 billion (including the principal amount and interests at the rate of 6% p.a. for the period from the date of the relevant Loan Provisions to the date of Construction Completion) to be provided by Guangdong Zhongwei to the Project Company according to the schedule as set out in the section headed "The Loan Provisions by Guangdong Zhongwei and the payment schedule" below.

An earnest money in the amount of RMB500,000 (the "**Earnest Money**") has been paid by Guangdong Zhongwei to the Project Company on 13 June 2023 when the parties commenced negotiation of the Cooperation Agreement.

The estimated commitment of Guangdong Zhongwei in the amount of RMB2.8 billion represents the amount estimated to be required for Construction Completion to be attained, including:

- (1) approximately RMB2.5 billion for construction and installation costs; and
- (2) approximately RMB0.3 billion for interests on development loans, determined with reference to (a) the usual period required for a piece of land similar to the Guangzhou Property to attain Construction Completion, which is 2 years; and (b) the agreed interest rate of 6% p.a. determined by both parties after arm's length negotiation.

**The Proposed
Disposals and the
payment schedule**

: *The First Proposed Disposal*

Within 60 days from the date of the Cooperation Agreement, Guangzhou Xingchengsi shall transfer 1% of the equity interest in the Project Company to Guangdong Zhongwei for the consideration of RMB100,000, payable by Guangdong Zhongwei to Guangzhou Xingchengsi in cash within 90 days from the date of registration of Guangdong Zhongwei as the registered equity-holder of such 1% equity interest in the Project Company (the “**First Proposed Disposal**”).

The Second Proposed Disposal

Within 10 days after the fulfillment of the Conditions Precedent and completion of the enforcement of the Order or Guangdong Zhongwei’s approval of alternative resolution, Guangdong Zhongwei shall provide the amount of RMB10.3808 million (representing the estimated working capital required by the Project Company in the first quarter of the first year following the signing of the Cooperation Agreement) to the Project Company by way of shareholder’s loan (the “**First Loan Provision**”) by transferring the said sum to a bank account of Guangdong Zhongwei jointly managed by both Guangdong Zhongwei and Guangzhou Xingchengsi, upon which Guangzhou Xingchengsi shall (a) transfer 94% of the equity interest in the Project Company to Guangdong Zhongwei for the consideration of RMB9,400,000, payable by Guangdong Zhongwei to Guangzhou Xingchengsi in cash on the Final Consideration Payment Date (the “**Second Proposed Disposal**”); and (b) pledge the remaining 5% of the equity interest in the Project Company to Guangdong Zhongwei, its affiliates or designated parties as guarantee for Guangdong Zhongwei’s investment in the Project Company. Within 10 days after completion of the aforementioned transfer and pledge of equity interest, the First Loan Provision will be paid to the Project Company, upon which the Earnest Money shall also be available for use by the Project Company as part of the Loan Provisions.

Pursuant to the Supplemental Agreement, Guangzhou Xingchengsi will strive to complete the transfer of 94% equity interest under the Second Proposed Disposal by 20 April 2024, and Guangdong Zhongwei will assist or replace the issuer of the Notes in dealing with the issues of debts due in relation to the Notes. Otherwise, the Cooperation Agreement and the Supplemental Agreement will be automatically terminated if the Mortgagees enforce property preservation or disposal of the Guangzhou Property or other circumstances under which the parties mutually agree that the cooperation cannot be continued.

Pursuant to the terms of the Cooperation Agreement, despite the fact that Guangdong Zhongwei will own 95% of the equity interest in the Project Company after the Second Proposed Disposal, Guangdong Zhongwei and Guangzhou Xingchengsi shall enjoy their shareholders' rights, be responsible for their shareholders' obligations and elect and appoint directors, supervisors and senior management of the Project Company in accordance with the terms of the Cooperation Agreement instead of with reference to their respective equity-holding. In addition, dealing of the 95% equity interest in the Project Company by Guangdong Zhongwei is restricted. Guangdong Zhongwei shall not deal with, transfer or pledge such equity interest without the written consent of Guangzhou Xingchengsi.

The Third Proposed Disposal

Within 12 months following Construction Completion, Guangzhou Xingchengsi shall transfer the remaining 5% of the equity interest in the Project Company to Guangdong Zhongwei for the consideration of RMB500,000, payable by Guangdong Zhongwei to Guangzhou Xingchengsi in cash within 30 days from the date of registration of Guangdong Zhongwei as the registered equity-holder of such 5% equity interest in the Project Company (the “**Final Consideration Payment Date**”) (and liquidated damages of RMB50 shall be payable by Guangzhou Xingchengsi for each day of delay) (the “**Third Proposed Disposal**”).

Upon completion of the Third Proposed Disposal, Guangzhou Xingchengsi will no longer have any equity interest in the Project Company.

Conditions Precedent to the Second Proposed Disposal and the Possible Repurchase : The Second Proposed Disposal is conditional on the fulfillment of certain Conditions Precedent, including within 90 days from the date of the Cooperation Agreement, Guangdong Zhongwei shall provide its internal approval documents to Guangzhou Xingchengsi, under which a commitment of not less than RMB2.8 billion by Guangdong Zhongwei for the Project shall be approved by its internal approval authorities.

Possible Repurchase following termination of the Cooperation Agreement due to non-fulfillment of the Conditions Precedent

If any of the Conditions Precedent is not fulfilled or waived by the relevant party, the Cooperation Agreement may be terminated by Guangzhou Xingchengsi or Guangdong Zhongwei (as the case may be) unilaterally. Within 30 days from the date of termination of the Cooperation Agreement, the Project Company shall refund the Earnest Money to Guangdong Zhongwei without interest, and within 10 working days following the receipt of the Earnest Money, Guangdong Zhongwei shall return the 1% equity interest in the Project Company to Guangzhou Xingchengsi for the consideration of RMB100,000 (and liquidated damages of RMB10 shall be payable by Guangzhou Xingchengsi for each day of delay).

The Loan Provisions by Guangdong Zhongwei and the payment schedule : Guangdong Zhongwei's commitment (other than the part of the commitment representing the consideration for the equity interest in the Project Company and the estimated interests on development loans) is divided into 24 installments payable on different payment dates set out in detail in the Cooperation Agreement, which were mainly determined with reference to the estimated stages of development of the Project (e.g. completion of construction of the basement level of the Building, obtaining of pre-sale approval, Capping, joint acceptance of construction completion of the Building, etc.) and the estimated construction-related costs, indirect development expenses and management expenses required for each stage.

Units Allocation and Property Sales : Each party's Entitlement to the units in the Building will be determined with reference to its Entitlement Ratio (the "**Units Allocation**"). The final Entitlement Ratios of the parties will be confirmed with reference to the fundings actually provided by the parties (as supported by proofs of payment) within 30 working days after the following conditions are all satisfied:

- (1) completion of construction of the basement level of the Building;
- (2) obtaining of pre-sale approval;
- (3) Capping;
- (4) Construction Completion; and
- (5) Initial Registration Completion.

It is expected that construction of the basement floors of the Building will be completed in 2025, and Capping and Construction Completion will occur in 2026 and 2027 respectively.

Prior to the confirmation of the final Entitlement Ratios of the parties, the Entitlement of each party of the Building will be calculated from time to time based on the RMB3.1 billion deemed commitment of Guangzhou Xingchengsi and the RMB2.8 billion estimated commitment of Guangdong Zhongwei, as adjusted by any changes on such estimates and changes in the commitments of the parties pursuant to the terms of the Cooperation Agreement.

After obtaining the pre-sale approval for the Project, Guangdong Zhongwei and Guangzhou Xingchengsi may sell the units allocated to them pursuant to the Units Allocation (the "**Property Sales**"), and the sale proceeds will be collected by the Project Company and distributed to the relevant parties (net of costs of sales) according to the terms of the Cooperation Agreement.

Changes in voting rights of the parties in the Project Company : The parties' voting rights in the Project Company shall be proportionate to their respective Entitlement Ratios before Capping. Upon Capping, the voting rights will be changed to 51% and 49% respectively; upon Construction Completion, the voting rights will be changed to 95% and 5% respectively; and upon completion of the Third Proposed Disposal, Guangzhou Xingchengsi will cease to have any voting rights in the Project Company.

Liabilities on general default : Prior to the First Loan Provision, in the event of breach of the Cooperation Agreement by Guangdong Zhongwei, the Earnest Money will be forfeited by the Project Company; and in the event of breach by Guangzhou Xingchengsi or the Project Company, liquidated damages doubled the amount of the Earnest Money shall be paid to Guangdong Zhongwei.

Upon the First Loan Provision, if Guangdong Zhongwei fails to make any Loan Provisions to the Project Company in accordance with the payment schedule under the Cooperation Agreement for more than 10 working days, Guangdong Zhongwei shall pay liquidated damages of 0.01% of the amount of the outstanding Loan Provision to Guangzhou Xingchengsi for each day of delay. Similarly, Guangzhou Xingchengsi shall pay liquidated damages at the same rate if its breach caused monetary damages to Guangdong Zhongwei or the Project Company.

Liabilities on material default

Material default by Guangdong Zhongwei

In the event of material breach by Guangdong Zhongwei, Guangdong Zhongwei shall propose resolutions for the breach (including but not limited to the introduction of new investing partners) to the satisfaction of Guangzhou Xingchengsi within 60 days. Otherwise, Guangzhou Xingchengsi shall have the right to unilaterally terminate the Cooperation Agreement within 60 days after the expiration of the such grace period. In such event, the Entitlement Ratios will be recalculated with reference to the fundings actually provided by the parties as at the date of the termination, and (a) the principal and interest constituting the commitment Guangdong Zhongwei will be repaid with units in the Building pursuant to the Units Allocation based on the Entitlement Ratio; and (b) Guangdong Zhongwei shall transfer the equity interest in the Project Company to Guangzhou Xingchengsi which exceeds its Entitlement Ratios (i.e. the Possible Repurchase). Otherwise, liquidated damages of RMB100,000 shall be payable by Guangdong Zhongwei for each day of delay.

Material default by Guangzhou Xingchengsi

In the event of material breach by Guangzhou Xingchengsi, Guangzhou Xingchengsi shall propose resolutions for the breach to the satisfaction of Guangdong Zhongwei within 60 days. Otherwise, Guangdong Zhongwei shall have the right to unilaterally terminate the Cooperation Agreement within 60 days after the expiration of such grace period. In such event:

- (1) (in case of termination prior to the obtaining of the pre-sale approval and if there is sufficient cash in the Project Company) the principal and interest constituting the actual funding of Guangdong Zhongwei shall be repaid by the Project Company; and

(2) (in case of termination after the obtaining of the pre-sale approval or in case of termination prior to obtaining the pre-sale approval but there is insufficient cash in the Project Company) the principal and interest constituting the actual funding of Guangdong Zhongwei shall be repaid with units in the Building pursuant to the Units Allocation based on the Entitlement Ratios (to be recalculated with reference to the fundings actually provided by the parties as at the date of the termination).

Further, the non-defaulting party shall have the right to charge the defaulting party 20% of funds actually invested by Guangdong Zhongwei as liquidated damages.

Management of the Project Company : *Composition of the board of directors*

The board of directors of the Project Company shall consist of five directors, three of which shall be appointed by Guangdong Zhongwei and two of which shall be appointed by Guangzhou Xingchengsi. The chairman of the board of directors and the legal representative of the Project Company shall be appointed by Guangdong Zhongwei. All resolutions of the board of directors shall be approved by four-fifths or all of directors.

Supervisors

Each of Guangdong Zhongwei and Guangzhou Xingchengsi shall be entitled to appoint one supervisor to the Project Company.

Senior management

The general manager of the Project Company shall be appointed by Guangzhou Xingchengsi, who will be responsible for the daily operation of the Project Company and ensuring the progress of the Project. Guangzhou Xingchengsi will also be entitled to appoint a deputy financial manager and the persons-in-charge of costs and development. Guangdong Zhongwei, on the other hand, is entitled to appoint the deputy general manager, a financial controller, a cost accounting manager and an accountant of the Project Company. The rest of the management will be recruited by the Project Company.

Deadlock

In case of a deadlock on any matters to be resolved by the shareholders or the directors of the Project Company before Capping, the decision of Guangzhou Xingchengsi shall prevail.

In case of a deadlock upon Capping, the decision of Guangdong Zhongwei shall prevail.

Operation of the Project : Guangdong Zhongwei shall have the right to recommend a main contractor for the Project to the Project Company. Guangzhou Xingchengsi shall procure for the termination of the existing main contractor contract and bear all the damages and losses in relation to such termination.

Guangzhou Xingchengsi, on the other hand, shall have the right to designate a third-party services provider for management consulting services and recommend a property management services company to the Project Company.

Undertaking of Zhongan Tianji : In consideration of the entering into of the Cooperation Agreement by Guangzhou Xingchengsi, Zhongan Tianji (the holding company of Guangdong Zhongwei holding 100% of the equity interest in Guangdong Zhongwei) has provided an undertaking to Guangzhou Xingchengsi that, for the period from the date of the Cooperation Agreement to the date of settlement of the Entitlement pursuant to the terms of the Cooperation Agreement or conclusion of cooperation between both parties, it shall not dispose of any of its equity interest in Guangdong Zhongwei without the prior written consent of Guangzhou Xingchengsi.

INFORMATION ON THE PROJECT COMPANY

The Project Company is a company incorporated in the PRC on 14 December 2016 and is principally engaged in the development of the Guangzhou Property. As at the date of the Cooperation Agreement, the Project Company is a wholly owned subsidiary of Guangzhou Xingchengsi, which owns 100% of the registered and paid-up capital in the Project Company in the amount of RMB10 million.

Set out below is the unaudited financial information of the Project Company for each of the two financial years ended 31 December 2022 and 31 December 2023 prepared in accordance with generally accepted accounting principles in the PRC:

	For the year ended	
	31 December	
	2023	2022
	<i>RMB</i>	<i>RMB</i>
	(Unaudited)	(Unaudited)
Net profit/(loss) before tax	(228,723.77)	(9,355.63)
Net profit/(loss) after tax	(228,723.77)	(9,355.63)

As at 31 December 2023, the unaudited net asset value of the Project Company was approximately RMB5,750,223.64.

Besides, pursuant to the valuation report dated 21 March 2024 issued by Guangdong Tongde Real Estate Land Asset Evaluation and Planning Surveying and Mapping Co., Ltd.* (廣東同德房地產土地資產評估與規劃測繪有限公司), as at 29 February 2024, the market value of all shareholders' equity of the Project Company was RMB10.4047 million. The valuation report was prepared in accordance with the Basic Criteria for Asset Appraisal (資產評估基本準則) issued by the Ministry of Finance as well as the Practicing Standards for Asset Appraisal (資產評估執業準則) and the Code of Professional Ethics (職業道德準則) issued by China Appraisal Society, and asset-based approach was adopted to appraise the market value of all shareholders' equity of the Project Company as at the benchmark date. The carrying value and appraised value of various assets and liabilities of the Project Company as at the benchmark date are set out as follows:

	Carrying value	Appraised value	Difference
	<i>RMB10 thousand</i>	<i>RMB10 thousand</i>	<i>RMB10 thousand</i>
Current assets	310,004.76	313,488.90	3,484.14
Non-current assets	3,029.42	11.30	(3,018.12)
Total assets	313,034.18	313,500.20	466.02
Current liabilities	312,459.47	312,459.73	0.26
Total liabilities	312,459.47	312,459.73	0.26
Net asset	574.71	1,040.47	465.76

The valuer has not, during the valuation process, considered: (1) mortgage and guarantee which may be assumed after the benchmark date, and the effect of price which may be additionally paid by way of special transaction on the valuation conclusion; (2) the effect of the changes in national macroeconomic policies and occurrence of natural force and other force majeure on the valuation conclusion; (3) premium and discount arising from factors such as controlling interests and minority interests; (4) the impact of the equity liquidity on the valuation conclusion; and (5) the impact of established mortgage registration on the valuation conclusion.

Unless there is material default by Guangdong Zhongwei and Guangzhou Xingchengsi unilaterally rescinds the Cooperation Agreement, upon Capping, the Project Company will cease to be a subsidiary of the Company. Upon completion of the Proposed Disposals, the Group will no longer have any interest in the Project Company.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE COOPERATION AGREEMENT

Given the reasons for and benefits of the entering into of the transactions contemplated under the Cooperation Agreement as set out in the section headed “Introduction” of this announcement, the Directors consider that the terms of the transactions contemplated under the Cooperation Agreement are in the interests of the Company and the Shareholders as a whole and are fair and reasonable.

FINANCIAL IMPACT OF THE ENTERING INTO OF THE COOPERATION AGREEMENT AND THE PROPOSED DISPOSALS

Subject to the final audit, if the Cooperation Agreement (including the Proposed Disposals) is finally implemented successfully, based on the prevailing market conditions, the capital investment plan and the estimated construction costs, it is expected that the Group will recover the costs invested by the Group in the Guangzhou Property and the Project Company, but it will not record gain or loss. The above expectation is based on the Group’s future unit allocation in the Project and the consideration obtained from the sale of properties less the cost incurred by the Group in the Guangzhou Property and the Project Company, which is unaudited, and may vary upon completion of the Proposed Disposals, subject to the exact and final amount of consideration upon completion of the Proposed Disposals.

The consideration received from the First Proposed Disposal will be contributed by Guangzhou Xingchengsi to the Project Company by way of shareholder’s loan as development fund. The consideration received from the Second Proposed Disposal and the Third Proposed Disposal, which will be paid by Guangdong Zhongwei on the Final Consideration Payment Date, will be used by the Group as the fund for the delivery of the projects in the Group.

LISTING RULES IMPLICATIONS

The entering into of the Cooperation Agreement

As the highest applicable percentage ratio in respect of the entering into of the Cooperation Agreement exceeds 5% but is less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

The Proposed Disposals

As all the applicable percentage ratios in respect of the Proposed Disposals are less than 5%, the Proposed Disposals (on aggregated basis) constitute de minimis transactions of the Company for the purpose of Chapter 14 of the Listing Rules.

For the avoidance of doubt, as the Project Company is an insignificant subsidiary of the Company during the period as a subsidiary of the Company with reference to the financial information of the Company and the Project Company for the three years ended 31 December 2023, it is expected that Guangdong Zhongwei will not become a connected person of the Company and the Proposed Disposals will not constitute connected transactions of the Company.

The Possible Repurchases

As all the applicable percentage ratios in respect of each of the Possible Repurchases are less than 5%, all of the Possible Repurchases constitute de minimis transactions of the Company for the purpose of Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is one of the PRC's largest residential property developers that capitalises on urbanisation. With centralised management and standardisation, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The 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 Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and modern agriculture.

Guangzhou Xingchengsi

Guangzhou Xingchengsi is a company incorporated in the PRC with limited liability and is principally engaged in investment holding in the Project Company. It is a non-wholly-owned subsidiary of the Company owed as to 51% by the Group, 30% by Guangzhou Juxing and 19% by Guangzhou Runniu. Guangzhou Juxing is a company incorporated in the PRC with limited liability principally engaged in real estate development and operation, property management and leasing, and is ultimately held as to 100% by Mr. Liang Xianshun (梁賢舜). Guangzhou Runniu is a company incorporated in the PRC with limited liability principally engaged in technology research and development and promotion services, and is ultimately held as to 30% by Mr. Lin Xiuhao (林秀浩), with other eight shareholders being minority natural person shareholders.

For the avoidance of doubt, although Guangzhou Juxing and Guangzhou Runniu are substantial shareholders of Guangzhou Xingchengsi, as Guangzhou Xingchengsi is currently an insignificant subsidiary of the Company with reference to the financial information of the Company and Guangzhou Xingchengsi for the three years ended 31 December 2023, Guangzhou Juxing and Guangzhou Runniu are not connected persons of the Company.

Guangdong Zhongwei

Guangdong Zhongwei is a company incorporated in the PRC with limited liability and is principally engaged in supply chain business, science and technology promotion and application services. Zhongan Tianji is a 100% holding company of Guangdong Zhongwei. Zhongan Tianji is indirectly held as to 60% by Guangdong Tianji Investment and Holding Group Co., Ltd.* (廣東省天璣投控集團有限公司), and the ultimate owner of the latter is Labour Union Committee of Zhongan Tianji (Beijing) Industry Holdings Limited* (中安天璣(北京)產業控股有限公司工會委員會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guangdong Zhongwei and the ultimate beneficial owners of Guangdong Zhongwei are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“Building”	the White Goose Pond International Financial Center (白鵝潭國際金融中心), a 64-storey high-rise commercial building with 5 basement floors to be developed on the Guangzhou Property

“Capping”	completion of capping of the Building (完成主體工程封頂)
“Company”	Country Garden Holdings Company Limited (碧桂園控股有限公司), 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: 2007)
“Conditions Precedent”	the conditions precedent to the Second Proposed Disposal as set out under the section headed “The Cooperation Agreement — Conditions Precedent to the Second Proposed Disposal and the Possible Repurchase” of this announcement
“Construction Completion”	the obtaining of the filing record on completion and acceptance of the construction (完成竣工驗收備案) of the Project
“Cooperation Agreement”	the cooperation agreement dated 23 March 2024 entered into amongst Guangzhou Xingchengsi, Guangdong Zhongwei and the Project Company in relation to the Project (as amended by the Supplemental Agreement)
“Director(s)”	the director(s) of the Company
“Earnest Money”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — Parties’ Commitments — Commitment of Guangdong Zhongwei” of this announcement
“Entitlement”	the entitlement of Guangzhou Xingchengsi or Guangdong Zhongwei (as the case may be) to the units of the Building and the relevant sale proceeds calculated based on the Entitlement Ratio
“Entitlement Ratio”	the proportion of the fundings actually provided by Guangzhou Xingchengsi or Guangdong Zhongwei (as the case may be) to the Project Company (for illustration, based on the RMB3.1 billion deemed commitment of Guangzhou Xingchengsi and the RMB2.8 billion estimated commitment of Guangdong Zhongwei, the estimated Entitlement Ratios of Guangzhou Xingchengsi and Guangdong Zhongwei will be approximately 52.543% and 47.457%)
“Final Consideration Payment Date”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — The Proposed Disposals and the payment schedule — The Third Proposed Disposal” of this announcement

“First Loan Provision”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — The Proposed Disposals and the payment schedule — The Second Proposed Disposal” of this announcement
“First Proposed Disposal”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — The Proposed Disposals and the payment schedule — The First Proposed Disposal” of this announcement
“Group”	the Company and its subsidiaries
“Guangdong Zhongwei”	Guangdong Zhongwei Investment Control Technology Group Co., Ltd.* (廣東省中為投控科技集團有限公司), a company incorporated in the PRC with limited liability
“Guangzhou Juxing”	Guangzhou Juxing Property Management Co., Ltd.* (廣州市聚星物業管理有限公司), a company established in the PRC with limited liability
“Guangzhou Property”	a piece of land titled Plot AF020106 located in the core area of Baietan Business District, Liwan District, Guangzhou (廣州市荔灣區白鵝潭商務區核心區), with a site area of 13,968 square meters
“Guangzhou Runniu”	Guangzhou Runniu Technology Co., Ltd.* (廣州市潤牛科技有限公司), a company established in the PRC with limited liability
“Guangzhou Xingchengsi”	Guangzhou Xingchengsi Trading Co., Ltd.* (廣州興承思貿易有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Registration Completion”	completion of the initial registration for all units in the Building (including the commercial units and the parking spaces) with Guangzhou Municipal Planning and Natural Resources Bureau (廣州市規劃和自然資源局) (大確權)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan Provisions”	the shareholder’s loans to be made by Guangdong Zhongwei to the Project Company according to the payment schedule as set out under the section headed “The Cooperation Agreement — The Loan Provisions by Guangdong Zhongwei and the payment schedule” of this announcement
“Mortgage”	has the meaning ascribed to it in the section headed “Introduction” of this announcement
“Mortgagee”	has the meaning ascribed to it in the section headed “Introduction” of this announcement
“Notes”	has the meaning ascribed to it in the section headed “Introduction” of this announcement
“Order”	has the meaning ascribed to it in the section headed “Introduction” of this announcement
“Possible Repurchase”	possible repurchase of the equity interests in the Project Company by Guangzhou Xingchengsi from Guangdong Zhongwei following termination of the Cooperation Agreement; for further details, please refer to the sections headed “The Cooperation Agreement — Conditions Precedent to the Second Proposed Disposal and the Possible Repurchase — Possible Repurchase following termination of the Cooperation Agreement due to non-fulfillment of the Conditions Precedent” and “The Cooperation Agreement — Liabilities on material default” of this announcement
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“Project”	the construction and development of the Building on the Guangzhou Property for sale through the Project Company
“Project Company”	Guangzhou Jinsi Real Estate Development Co., Ltd.* (廣州錦思房地產開發有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Guangzhou Xingchengsi as at the date of this announcement
“Property Sales”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — Units Allocation and Property Sales” of this announcement

“Proposed Disposals”	collectively, the First Proposed Disposal, the Second Proposed Disposal and the Third Proposed Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Second Proposed Disposal”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — The Proposed Disposals and the payment schedule — The Second Proposed Disposal” of this announcement
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 23 March 2024 entered into between Guangzhou Xingchengsi and Guangdong Zhongwei to supplement the Cooperation Agreement
“Third Proposed Disposal”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — The Proposed Disposals and the payment schedule — The Third Proposed Disposal” of this announcement
“Units Allocation”	has the meaning ascribed to it in the section headed “The Cooperation Agreement — Units Allocation and Property Sales” of this announcement
“Zhongan Tianji”	Zhongan Tianji (Beijing) Industry Holdings Limited* (中安天璣(北京)產業控股有限公司), a company established in the PRC with limited liability

By order of the Board
Country Garden Holdings Company Limited
MO Bin
President and Executive Director

Foshan, Guangdong Province, the PRC, 24 March 2024

As of the date of this announcement, the executive directors of the Company are Ms. YANG Huiyan (Chairman), Mr. MO Bin (President), Ms. YANG Ziyang, Dr. CHENG Guangyu, Ms. WU Bijun and Mr. SU Baiyuan. The non-executive director of the Company is Mr. CHEN Chong. The independent non-executive directors of the Company are Dr. HAN Qinchun, Mr. WANG Zhijian, Mr. TUO Tuo and Mr. TO Yau Kwok.

* *For identification purposes only*