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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)

**(1) PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND**

**(2) CONNECTED TRANSACTION — PROPOSED AMENDMENTS
TO THE NON-COMPETITION UNDERTAKINGS**

**(1) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF
ASSOCIATION**

The Board is pleased to announce that, in order to (i) provide flexibility to the Company in relation to the conduct of general meetings; (ii) bring the Memorandum and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules; and (iii) make other consequential and housekeeping amendments, and in view of the number of proposed changes, the Board proposes to seek approval of the Shareholders by special resolution at the EGM to amend the existing Memorandum and Articles of Association by way of adoption of the new Memorandum and Articles of Association.

(2) CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS

Reference is made to the Original Deeds of Non-Competition entered into on 29 March 2007 among the Company and the Original Covenantors in connection with the listing of the Shares of the Company on the Stock Exchange back in 2007, pursuant to which the Original Covenantors gave the Non-Competition Undertakings, including, among others, that they will not, and will procure their respective close associates not to, directly or indirectly engage in businesses which will or may compete with the land or property businesses and related businesses carried on or to be carried on by the Group.

Over 14 years have passed since the Company and the Original Covenantors entered into the Original Deeds of Non-Competition, during which (i) the Company has spun-off and separately listed its property management services business through the listing of CG Services on the main board of the Stock Exchange in 2018; (ii) the Group has expanded its business scope beyond its core property business to cover new businesses such as robotics, robotic catering and modern agriculture; and (iii) the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company, and Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders.

In view of the above, the Directors consider it desirable to amend the Non-Competition Undertakings to, among others, (i) redefine and broaden the scope of the restricted business; (ii) enhance the procedures of referral of new business opportunities relating to any Restricted Business by the New Covenantors or their close associates to the Company; and (iii) exclude those Original Covenantors who are no longer the management or substantial Shareholder of the Company from being bound by the New Deeds of Non-Competition. Therefore, subject to the approval of the Independent Shareholders at the EGM, the Company proposes to terminate the Original Deeds of Non-Competition with the Original Covenantors and enter into the conditional New Deeds of Non-Competition with Mr. Yeung and Ms. Yang as the New Covenantors on 21 July 2021.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yeung and Ms. Yang are executive Directors, and Ms. Yang is also a controlling Shareholder. Therefore, each of them is a connected person of the Company. Accordingly, the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition) constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

A circular containing, among other things, (i) particulars relating to the proposed amendments to the Memorandum and Articles of Association; (ii) further information on the proposed amendments to the Non-Competition Undertakings; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; together with (v) a notice convening the EGM to consider and, if thought fit, approve the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings will be despatched to the Shareholders on or around 10 August 2021.

(1) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board is pleased to announce that, in order to (i) provide flexibility to the Company in relation to the conduct of general meetings; (ii) bring the Memorandum and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules; and (iii) make other consequential and housekeeping amendments, and in view of the number of proposed changes, the Board proposes to seek approval of the Shareholders by special resolution at the EGM to amend the existing Memorandum and Articles of Association by way of adoption of the new Memorandum and Articles of Association.

A summary of the major changes brought about by the adoption of the new Memorandum and Articles of Association are set out below:

1. to allow all general meetings (including, inter alia, an annual general meeting, an extraordinary general meeting, any adjourned meeting or postponed meeting) to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting or an electronic meeting;

2. to include the definitions of “Act”, “announcement”, “electronic communication”, “electronic means”, “electronic meeting”, “hybrid meeting”, “Meeting Location”, “physical meeting” and “Principal Meeting Place” to align the relevant provisions in the new Memorandum and Articles of Association with the applicable laws of the Cayman Islands and the Listing Rules, and making corresponding changes to the relevant articles;
3. to provide that the respective period of (i) the closure of the register(s) of members for inspection and (ii) the suspension for the registration of transfers of shares may be extended with the approval of the Shareholders provided that such period shall not be extended beyond sixty (60) days in any year;
4. to remove the restriction on the record date to determine the Shareholders’ entitlement to any dividend, distribution, allotment or issue;
5. to include additional details to be specified in a notice of general meeting in light of the allowing of general meetings to be held at one or more meeting locations, or as a hybrid meeting or an electronic meeting;
6. to provide that the chairman of the general meeting may, with the consent of the general meeting at which a quorum is present or at his absolute discretion under certain prescribed circumstances, adjourn the meeting from time to time (or indefinitely), from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting);
7. to provide for the proceedings of general meetings which are held at one or more locations, or as a hybrid meeting or an electronic meeting, and the powers of the Board and the chairman of the general meeting in relation thereto;
8. to allow the Directors to postpone or make changes to a general meeting when they in their absolute discretion consider it is inappropriate, impracticable, unreasonable or undesirable to hold the general meeting on or at the scheduled date or time or place or in the scheduled form, for example, in case of bad weather conditions or other similar events, and making corresponding changes to the relevant articles;
9. to allow for votes to be cast by the Shareholders electronically as the Directors or the chairman of the general meeting may determine;
10. to allow instruments of proxy to be returned to the Company by electronic means;
11. to empower the Board to capitalise certain reserves of the Company to pay up the Shares to be allotted pursuant to any share incentive scheme or employee benefit scheme;

12. to provide for more physical and electronic channels for the giving or issue of any notice or document by or on behalf of the Company (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules);
13. to clarify that a notice, document or publication is deemed to have been served on the day on which it first appears on the Company’s website to which the recipient may have access or the day on which the notice of availability is deemed to have been delivered to such person, whichever is later, and if such notice, document or publication is issued as an advertisement in a newspaper, it shall be deemed to have been served on the day on which the advertisement first so appears;
14. to remove the provision which provides that in the event of winding-up of the Company in Hong Kong, every Shareholder who is not for the time being in Hong Kong shall be bound to serve notice in writing on the Company appointing some person resident in Hong Kong upon whom summonses and other notices, process or orders under the winding up may be served;
15. to clarify that a former Director can also be indemnified for his actions in relation to the affairs of the Company during the time he was a Director; and
16. to make other housekeeping amendments, including making consequential amendments in line with the above amendments to the existing Memorandum and Articles of Association.

The proposed adoption of the new Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the EGM.

(2) CONNECTED TRANSACTION — PROPOSED AMENDMENTS TO THE NON-COMPETITION UNDERTAKINGS

The Original Deeds of Non-Competition

Reference is made to the Original Deeds of Non-Competition entered into on 29 March 2007 among the Company and the Original Covenantors in connection with the listing of the Shares of the Company on the Stock Exchange back in 2007, pursuant to which the Original Covenantors gave various non-competition undertakings to the Company (the “**Non-Competition Undertakings**”), including, among others, that they will not, and will procure their respective close associates not to, directly or indirectly engage in businesses which will or may compete with the land or property businesses and related businesses carried on or to be carried on by the Group.

Proposed Amendments to the Non-Competition Undertakings

Over 14 years have passed since the Company and the Original Covenantors entered into the Original Deeds of Non-Competition, during which (i) the Company has spun-off and separately listed its property management services business through the listing of CG Services on the main board of the Stock Exchange in 2018; (ii) the Group has expanded its business scope beyond its core property business to cover new businesses such as robotics, robotic catering and modern agriculture; and (iii) the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company, and Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders.

In view of the above, the Directors consider it desirable to amend the Non-Competition Undertakings to, among others, (i) redefine and broaden the scope of the restricted business; (ii) enhance the procedures of referral of new business opportunities relating to any Restricted Business by the New Covenantors or their close associates to the Company; and (iii) exclude those Original Covenantors who are no longer the management or substantial Shareholder of the Company from being bound by the New Deeds of Non-Competition. Therefore, subject to the approval of the Independent Shareholders at the EGM, the Company proposes to terminate the Original Deeds of Non-Competition with the Original Covenantors and enter into the conditional New Deeds of Non-Competition with Mr. Yeung and Ms. Yang as the New Covenantors on 21 July 2021.

The major amendments to the Non-Competition Undertakings pursuant to the New Deeds of Non-Competition are summarised as follows:

(a) The Covenantors

As at the date of the New Deeds of Non-Competition (being the date of this announcement), (i) the Then Existing Shareholders have ceased to be the management or substantial Shareholders of the Company and (ii) Qingyuan Country Garden Co. and Qingyuan Cultural Co. are no longer held by Ms. Yang and the Then Existing Shareholders. Therefore, it is proposed that the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co. be excluded from being bound by the New Deeds of Non-Competition.

(b) Scope of the Restricted Business

The New Deeds of Non-Competition propose to redefine and broaden the scope of the restricted business, such that the New Covenantors have unconditionally and irrevocably undertaken and warranted that they will not, and will procure any of their respective close associates (other than members of the Group) not

to, participate in or operate any business which directly or indirectly competes or may compete with business from time to time engaged in by the Group, other than:

- (i) the Group's business;
- (ii) investment which is not in the nature of a "business", including financial investment, passive investment, purchase of financial products, purchase of properties for self-occupation or personal investment and other investments that do not involve operating any business;
- (iii) business which the Group has newly engaged in that was not a Restricted Business (as hereinafter defined) and the New Covenantors or their close associates have hitherto carried on or participated in or been interested in; and
- (iv) any business segment or market which the Group will not invest in, after the management of the Company has so proposed to the Independent Board (as hereinafter defined) having considered the relevant factors and provided all reasonably necessary information to them (including the reasons of not investing in particular business segment or market and the current situation and the future development trend of such business segment or market), and after the Independent Board (as hereinafter defined) has so approved after taking into account the relevant factors and the view of the professional advisers (if considered appropriate)

((ii) to (iv) collectively, the "**Exempted Business**") (the "**Restricted Business**"),

or hold any interests or rights in any companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group except where the relevant New Covenantor and his/her close associates directly or indirectly hold less than 5% of the total issued share capital in any company which competes with the business of the Group and have no right to appoint the majority of the board of directors thereof.

(c) Referred Competing Business Opportunity

When a new business investment or business opportunity relating to the Restricted Business is sought by or offered to the New Covenantors or their close associates ("**Referred Competing Business Opportunity**"), they shall refer such Referred Competing Business Opportunity to the Company in writing for consideration and provide all reasonably necessary details in order to enable the Company to come to an informed assessment of such Referred Competing Business Opportunity. A board committee comprising independent

non-executive Directors who do not have an interest in the Referred Competing Business Opportunity (the “**Independent Board**”) shall consider whether to pursue the Referred Competing Business Opportunity with reference to various factors (including the financial impact on the Group of pursuing the Referred Competing Business Opportunity offered, whether the nature of the Referred Competing Business Opportunity is in line with the Group’s strategies and development plans, the general market conditions of the Group’s business and the potential impact on the Group due to the engagement in such Referred Competing Business Opportunity by the relevant New Covenantor or his/her close associates) and the view of the professional advisers (if considered appropriate). If the nature, terms or conditions of any such Referred Competing Business Opportunity has changed materially, the relevant New Covenantor or his/her close associates shall refer such revised Referred Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associates shall be entitled, but not obliged, to pursue such Referred Competing Business Opportunity when the Independent Board has declined the same or had failed to reply in time, and any such participation in or operation of the Referred Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

(d) Declined Competing Business Opportunity

In respect of any business investment or business opportunity relating to the Restricted Business referred or provided by a party other than the New Covenantors or their close associates but has been declined by the management of the Company (the “**Declined Competing Business Opportunity**”), any New Covenantor or his/her close associates who wishes to pursue such Declined Competing Business Opportunities shall inform the Company of such intention in writing. The Independent Board will then carry out an informed assessment of whether to allow the relevant New Covenantor or his/her close associates to pursue the same, after taking into account the relevant factors and with reference to the view of the professional advisers (if considered appropriate).

The Declined Competing Business Opportunity so pursued by the relevant New Covenantor or his/her close associates must be on the same terms as those considered and declined by the management of the Company. If there is any material change in the nature, terms or conditions of such Declined Competing Business Opportunity, the relevant New Covenantor or his/her close associates shall refer such revised Declined Competing Business Opportunity to the Company as if it were a new Referred Competing Business Opportunity.

The relevant New Covenantor and his/her close associate shall be entitled, but not obliged, to pursue such Declined Competing Business Opportunity when the Independent Board has approved the same or had failed to reply in time, and any such participation in or operation of the Declined Competing Business Opportunity will not be restricted by the New Deeds of Non-Competition.

(e) The Group's Project for Sale

If the Group intends to transfer or sell or allow other parties to, by any means, participate in or operate any particular business that is currently engaged in by the Group (excluding the Exempted Business) (the "**Project for Sale**"), the relevant New Covenantor or his/her close associates who wishes to acquire, participate in or operate such Project for Sale can make a written offer to the Company (the "**Offer**") stating the indicative offer price and other terms or conditions of such acquisition, participation in or operation of the Project for Sale to facilitate an informed assessment by the Independent Board having considered and with reference to the view of the professional advisers (if considered appropriate).

Any acceptance of the Offer by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules).

The acquisition, participation in or operation of any Project for Sale by the relevant New Covenantor and his/her close associate in compliance with the aforementioned procedures will not be restricted by the New Deeds of Non-Competition.

(f) The Company's Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates

Save for any sale of property units to individual owners for their self-occupation or investment purposes in public sales, if thereafter the relevant New Covenantor or his/her close associates intends to transfer, sell or dispose any Restricted Business participated or engaged in through the aforementioned review mechanism (the "**Competing Business Opportunity Review Mechanism**") for the Referred Competing Business Opportunity, the Declined Competing Business Opportunity or the Project for Sale in whole or in part (the "**Disposal Business**") to any third party for development and/or business purpose(s), before entering into any binding agreement, they must first notify the Company of such intention in writing and provide all information reasonably necessary, including the information on the Disposal Business (such as valuation report), proposed consideration to be accepted by the third party and other major terms and conditions concerning the transaction with the third party (if any) (the "**Sale Offer**") to the Company to facilitate an informed assessment by the Independent Board of whether to exercise the pre-emptive right of purchasing

the Disposal Business on the same terms and conditions (the “**Pre-emptive Right**”) having considered and with reference to the view of the professional advisers (if considered appropriate).

Any transfer or acquisition of the Disposal Business by the Company shall be subject to and conditional upon compliance with the applicable laws and requirements (including but not limited to the Listing Rules). If there is any material change in the nature or consideration, terms or conditions in respect of the Disposal Business between the relevant New Covenantor or his/her close associates and the third party, they shall make a new Sale Offer to the Company as if it were a new transaction.

The relevant New Covenantor and his/her close associate shall be entitled but not obliged to transfer, sell or dispose the Disposal Business to the relevant third party on the terms and conditions set out in the Sale Offer after the Independent Board had notified the relevant New Covenantor of its decision not to exercise the Pre-emptive Right or if the Independent Board had failed to respond to the Sale Offer in time.

(g) Director’s Fiduciary Duties

When the relevant New Covenantor is a Director, the New Deeds of Non-Competition clarifies that each of his/her or his/her close associates’:

- (1) participation or engagement in Restricted Business through the Competing Business Opportunity Review Mechanism;
- (2) participation or engagement in (i) business other than the Restricted Business; (ii) business that the Group had ceased or will cease to operate; or (iii) any business that is within the scope of the Exempted Business;
- (3) holding of any investment or interest that is within the scope of the Exempted Business; and
- (4) holding of interest or right in companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so competes or may compete with the business of the Group where the relevant New Covenantor and his/her close associates hold less than 5% of the total issued share capital in such company and have no right to appoint the majority of the board of directors thereof,

of itself is not a breach of the New Covenantor’s fiduciary duties as a Director.

(h) Termination of the New Deeds of Non-Competition

The New Deeds of Non-Competition shall automatically terminate in the following situations:

- (1) (for Mr. Yeung) when he ceases to be the chairman of the Board and executive Director of the Company, and (for Ms. Yang) when she and her close associates, in aggregate, directly or indirectly, cease to beneficially hold 30% or more of the voting shares or securities or other interests of the issued share capital of the Company, or cease to have control over the composition of the majority of the Board; or
- (2) when the Shares cease to be listed and traded on the Stock Exchange, other than in the case where trading in the Shares is temporarily suspended.

Nonetheless, if Ms. Yang remains a Director, following the termination of her New Deed of Non-Competition, the scope of her director's fiduciary duties should be the same as all other Directors (except Mr. Yeung), but the participation in or operation of any Restricted Business by her or her close associates previously acquired through the Competing Business Opportunity Review Mechanism or in accordance with other provisions of the New Deeds of Non-Competition shall not be a breach of her director's fiduciary duty.

Conditions Precedent

The New Deeds of Non-Competition shall come into effect upon fulfilment of the following conditions:

- (i) the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder) having been approved by the independent non-executive Directors; and
- (ii) the Company having complied with all applicable laws and regulations (including the Listing Rules) or the requirements of any relevant authority (including the Stock Exchange) in connection with the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder), including the requirement of obtaining the approval from the Independent Shareholders pursuant to the Listing Rules.

The conditions precedent set out in paragraphs (i) and (ii) above cannot be waived. In the event that any of the conditions precedent has not been fulfilled on or before 31 December 2021, the New Deeds of Non-Competition shall not come into effect and the Original Deeds of Non-Competition shall remain in full effect.

Reasons for and Benefits of the Proposed Amendments to the Non-Competition Undertakings

Given the change in circumstances since the entering into of the Original Deeds of Non-Competition in 2007, to better protect the interests of the Group and the Shareholders as a whole, the Company believes that it is an appropriate time to review and amend the Non-Competition Undertakings with the primary objective to redefine and broaden the scope of the Non-Competition Undertakings given by Ms. Yang (the controlling Shareholder, an executive Director and the co-chairman of the Board) and Mr. Yeung (an executive Director and the chairman of the Board) to the Company. In addition, the adoption of the Competing Business Opportunity Review Mechanism which is now common market practice and the grant of the Pre-emptive Right to the Company in relation to business which has once been rejected or given up by the Group and subsequently invested in or developed by the New Covenantors and their close associates will allow the Group with an opportunity and the flexibility to subsequently take over such business from the New Covenantors and their close associates, if such business turns out to be profitable. The synergy between the Company and the New Covenantors in such business will be enhanced and the Group will be able to better cope with the competition in the industry, which is commercially desirable and in the interest of the Company and its Shareholders as a whole. Reasons for and benefits of the proposed amendments to the Non-Competition Undertakings are more particularly set out as follows:

- (a) As aforementioned, (i) the Company has spun-off and separately listed its property management services business through the listing of CG Services on the Stock Exchange in 2018; (ii) the Non-Competition Undertakings given by the Original Covenantors in the Original Deeds of Non-Competition are restricted to property business; and (iii) some of the Original Covenantors have ceased to be the management or substantial Shareholders of the Company. Since the listing of the Company in 2007, the Company has expanded its business scope beyond property business to cover new business segments with great development prospect such as robotics, robotic catering and modern agriculture. The Original Deeds of Non-Competition have since become outdated and the entering into of the New Deeds of Non-Competition will help align the scope of the New Deeds of Non-Competition with the existing businesses of the Group, and thereby ensure the elimination of potential competition with the Group which was not captured by the scope of the Original Deeds of Non-Competition. The scope of the Restricted Business will now be expanded to cover not only property business but also the businesses from time to time engaged in by the Group. The Company will enjoy preferential

development and investment right in the Restricted Business, and the New Covenantors and their close associates cannot carry on businesses in such sectors and compete with the Group without the approval of the Independent Board.

- (b) Since the entering into of the Original Deeds of Non-Competition, the economic structure of the PRC has changed and technological development is evolving. The Directors (other than the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Adviser) are of the view that the Original Deeds of Non-Competition were too stringent in that the Original Covenantors were not allowed to participate in a competing business even though the Company has already rejected the relevant opportunity when it was first presented to the Company or the Company has already withdrawn from carrying on such business. The Group will lose out on a chance to profit from such business, if they turn out to be profitable at the end, and such stringent restriction cannot meet the needs of the Company to develop its business by capturing profitable business opportunities at the right time and cope with the competition in the industry. On the other hand, the adoption of the Competing Business Opportunity Review Mechanism and the grant of the Pre-emptive Right to the Company present a new business opportunity to the Group. While the New Covenantors and their close associates may be allowed to participate in the Restricted Business through compliance with the Competing Business Opportunity Review Mechanism, such mechanism is carefully designed with check and balance. For example, in deciding whether the Company should accept the Referred Competing Business Opportunity or whether the New Covenantors or their close associates should be allowed to engage in Restricted Business through the said mechanism, the Independent Board will consider a number of factors, including whether the relevant businesses are in line with the development direction of the Company's principal businesses, whether the commercial and legal risks of the relevant projects are in line with the Company's risk policy, and whether the capital contribution involved in the pre-commercial investments is in line with the Company's investment strategy. By allowing the New Covenantors or their close associates to first obtain and develop a Restricted Business which is not currently in line with the Company's development strategy subject to carefully designed procedures and conditions, and granting a Pre-emptive Right in favour of the Company, the Company and the New Covenantors will be able to leverage on their respective strengths to form and create synergies in business development. As such, it allows the Company to reserve the right to develop such business at a later and more appropriate time without bearing excessive business risks, improve the flexibility to participate in such business opportunities, avoid being lagged behind other competitors in the industry and maximize the interests of the Company and its Shareholders as a whole.

- (c) As the New Covenantors are connected persons of the Company, any disposal of Project for Sale by the Company to any such New Covenantors or their close associates, or any acquisition of a Disposal Business from any of them following the exercise of the Pre-emptive Right, or any cooperation between the Company and the New Covenantors or their close associates to engage in such business will constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and will be subject to the approval of the independent board committee of the Company or, if applicable, the approval of the independent Shareholders as required under the Listing Rules, which will serve as an additional safeguard of the interests of the Company and its Shareholder as a whole.

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice of the Independent Financial Advisor) believe that the terms of the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition) while not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and is on normal commercial terms.

Corporate Governance Measures

In order to ensure and facilitate compliance with the New Deeds of Non-Competition by the New Covenantors, the Company has implemented the following measures:

- (a) the independent non-executive Directors shall review, at least once every year, the performance of the New Deeds of Non-Competition by the New Covenantors;
- (b) the New Covenantors shall cooperate and provide and shall procure their close associates to cooperate and provide, on best endeavour basis, information necessary for the aforementioned annual review of the performance of the New Deeds of Non-Competition;
- (c) the Company will disclose the review results of the independent non-executive Directors relating to compliance and enforcement of the New Deeds of Non-Competition in the annual reports or the announcements of the Company pursuant to the applicable laws, rules and regulations (including the Listing Rules), and shall further disclose the reasons of the decisions made by the Independent Board pursuant to the New Deeds of Non-Competition;
- (d) the New Covenantors will make a declaration in each of the Company's annual reports on the compliance with the New Deeds of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report; and

- (e) in the event that any of the Directors and/or their respective close associate has material interests in any matter to be discussed by the Board in relation to the compliance and enforcement of the New Deeds of Non-Competition, he/she shall not vote on the resolutions of the Board approving the matter and shall not be counted towards the quorum for the relevant voting.

INFORMATION ON THE PARTIES

The Company

The Company is one of the PRC's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, 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.

Mr. Yeung

Mr. Yeung is the chairman of the Board and an executive Director, the father of Ms. Yang and Ms. Yang Ziyang, the uncle of Mr. Yang Zhicheng, and the father-in-law of Mr. Chen Chong.

Ms. Yang

Ms. Yang is the co-chairman of the Board, an executive Director and the controlling Shareholder, the daughter of Mr. Yeung, the sister of Ms. Yang Ziyang, the cousin of Mr. Yang Zhicheng, and the wife of Mr. Chen Chong. As at the date of this announcement, Ms. Yang is indirectly interested in approximately 62% of the total issued share capital of the Company.

Mr. Yang Erzhu

Mr. Yang Erzhu was one of the co-founders and former executive Directors of the Company. As at the date of this announcement, he is indirectly interested in less than 5% of the total issued share capital of the Company and is not a connected person of the Company.

Mr. Su Rubo

Mr. Su Rubo was one of the co-founders and former executive Directors of the Company. As at the date of this announcement, he is indirectly interested in less than 5% of the total issued share capital of the Company and is not a connected person of the Company.

Mr. Zhang Yaoyuan

Mr. Zhang Yaoyuan was one of the co-founders and former executive Directors of the Company. As at the date of this announcement, he is indirectly interested in less than 5% of the total issued share capital of the Company and is not a connected person of the Company.

Mr. Ou Xueming

Mr. Ou Xueming was one of the co-founders and former executive Directors of the Company. As at the date of this announcement, he is indirectly interested in less than 5% of the total issued share capital of the Company and is not a connected person of the Company.

Qingyuan Country Garden Co.

Qingyuan Country Garden Co. is a limited liability company established in the PRC on 12 November 2001 and is principally engaged in the development of the Qingyuan Holiday Islands project situated in Qingyuan which offers various types of products including villas, townhouses and low-rise apartments. Qingyuan Country Garden Co. is owned as to 52% by Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and 48% by Foshan Shunde Lida Investment Co., Ltd* (佛山市順德區利達投資有限公司).

Qingyuan Cultural Co.

Qingyuan Cultural Co. is a limited liability company established in the PRC on 17 August 2005 and is principally engaged in the development of the Qingyuan Cultural Park located in Shijiao Town, Qingcheng District in Qingyuan. Qingyuan Cultural Co. is owned as to 52% by Foshan Shunde Guohua Memorial Middle School* (佛山市順德區國華紀念中學) and 48% by Foshan Shunde Lida Investment Co., Ltd* (佛山市順德區利達投資有限公司).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Yeung and Ms. Yang are executive Directors, and Ms. Yang is also a controlling Shareholder. Therefore, each of them is a connected person of the Company. Accordingly, the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition) constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the proposed amendments to the Non-Competition Undertakings. Goldlink Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

Each of Mr. Yeung, Ms. Yang, Ms. Yang Ziyang, Mr. Yang Zhicheng, and Mr. Chen Chong are considered to have an actual or potential material interest in the proposed amendments to the Non-Competition Undertakings and have abstained from voting on the relevant resolutions of the Board. Save as disclosed above, none of the Directors has a material interest in the proposed amendments to the Non-Competition Undertakings.

The Original Covenantors and their associates will abstain from voting on the ordinary resolution to approve the termination of the Original Deeds of Non-Competition, and the associates of Ms. Yang and Mr. Yeung will abstain from voting on the ordinary resolution to approve the New Deeds of Non-Competition and the transactions contemplated thereunder as required under Rule 14A.36 of the Listing Rules.

GENERAL

A circular containing, among other things, (i) particulars relating to the proposed amendments to the Memorandum and Articles of Association; (ii) further information on the proposed amendments to the Non-Competition Undertakings; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings; together with (v) a notice convening the EGM to consider and, if thought fit, approve the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings will be despatched to the Shareholders on or around 10 August 2021.

DEFINITIONS

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

“Articles of Association”	articles of association of the Company
“associates”	have the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company

“CG Services”	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 and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 6098)
“close associates”	have the meaning ascribed thereto under the Listing Rules
“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 and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2007)
“Competing Business Opportunity Review Mechanism”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ”
“connected person”	has the meaning ascribed to it under the Listing Rules
“Declined Competing Business Opportunity”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (d) Declined Competing Business Opportunity</i> ”
“Director(s)”	the director(s) of the Company
“Disposal Business”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ”
“EGM”	the extraordinary general meeting of the Company to be held at which resolutions will be proposed to consider, and, if thought fit, to approve the proposed adoption of the new Memorandum and Articles of Association and the proposed amendments to the Non-Competition Undertakings (including the termination of the Original Deeds of Non-Competition and the entering into of the New Deeds of Non-Competition and the transactions contemplated thereunder), or any adjournment thereof

“Exempted Business”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (b) Scope of the Restricted Business</i> ”
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (c) Referred Competing Business Opportunity</i> ”
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Lai Ming, Joseph, Mr. Shek Lai Him, Abraham, Mr. Tong Wui Tung, Mr. Huang Hongyan, and Mr. To Yau Kwok
“Independent Financial Adviser” or “Goldlink Capital”	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed amendments to the Non-Competition Undertakings
“Independent Shareholders”	(i) (in the case of the ordinary resolution to approve the termination of the Original Deeds of Non-Competition) the Shareholders other than the Original Covenantors and their associates; and (ii) (in the case of the ordinary resolution to approve the New Deeds of Non-Competition and the transactions contemplated thereunder) the Shareholders other than the associates of Ms. Yang and Mr. Yeung
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Memorandum and Articles of Association”	Memorandum of Association and Articles of Association
“Memorandum of Association”	memorandum of association of the Company
“Mr. Yeung”	Mr. Yeung Kwok Keung, the chairman of the Board and an executive Director

“Ms. Yang”	Ms. Yang Huiyan, the co-chairman of the Board, an executive Director and the controlling Shareholder
“New Covenantor(s)”	Mr. Yeung and Ms. Yang
“New Deeds of Non-Competition”	(i) the deed of non-competition and indemnity dated 21 July 2021 entered into between the Company and Ms. Yang and (ii) the deed of non-competition and indemnity dated 21 July 2021 entered into between the Company and Mr. Yeung
“Non-Competition Undertakings”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — The Original Deeds of Non-Competition</i> ”
“Offer”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (e) The Group’s Project for Sale</i> ”
“Original Covenantors”	Mr. Yeung, Ms. Yang, the Then Existing Shareholders, Qingyuan Country Garden Co. and Qingyuan Cultural Co.
“Original Deeds of Non-Competition”	(i) the deed of non-competition dated 29 March 2007 entered into among Ms. Yang, the Then Existing Shareholders, Qingyuan Country Garden Co., Qingyuan Cultural Co. and the Company and (ii) the deed of non-competition dated 29 March 2007 entered into between Mr. Yeung and the Company, pursuant to which each of the Original Covenantors gave the Non-Competition Undertakings to the 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
“Pre-emptive Right”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ”
“Project for Sale”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (e) The Group’s Project for Sale</i> ”

“Qingyuan Country Garden Co.”	Qingyuan Country Garden Property Development Co., Ltd. (清遠碧桂園物業發展有限公司), a limited liability company established in the PRC on 12 November 2001
“Qingyuan Cultural Co.”	Qingyuan Country Cultural Development Co., Ltd. (清遠市故鄉里文化發展有限公司), a limited liability company established in the PRC on 17 August 2005
“Referred Competing Business Opportunity”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (c) Referred Competing Business Opportunity</i> ”
“Restricted Business”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (b) Scope of the Restricted Business</i> ”
“Sale Offer”	has the meaning ascribed to it under the section headed “(2) <i>Connected Transaction — Proposed Amendments to the Non-Competition Undertakings — (f) The Company’s Pre-emptive Right to Purchase Restricted Business Operated by the New Covenantors or Their Close Associates</i> ”
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, or reconstruction of the share capital of the Company, from time to time)
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Then Existing
Shareholders”

Mr. Yang Erzhu (楊貳珠), Mr. Su Rubo (蘇汝波), Mr. Zhang Yaoyuan (張耀垣) and Mr. Ou Xueming (區學銘), then Shareholders when the Original Deeds of Non-Competition were executed on 29 March 2007 before the Shares were listed on the main board of the Stock Exchange

“%”

per cent

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

Foshan, Guangdong Province, the PRC, 21 July 2021

* *For identification purposes only*

As of the date of this announcement, the executive directors of the Company are Mr. YEUNG Kwok Keung (Chairman), Ms. YANG Huiyan (Co-Chairman), Mr. MO Bin (President), Ms. YANG Ziyang, Mr. YANG Zhicheng, Mr. SONG Jun and Mr. SU Baiyuan. The non-executive director of the Company is Mr. CHEN Chong. The independent non-executive directors of the Company are Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Mr. HUANG Hongyan and Mr. TO Yau Kwok.