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**JINKE 金科服务**

美好你的生活

**Jinke Smart Services Group Co., Ltd.**  
**金科智慧服务集团股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 9666)**

## **CONNECTED TRANSACTION**

### **ACQUISITION OF NURSERY PROPERTIES**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 30 June 2022 in relation to the legally binding MOU. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that on 7 July 2022 (after trading hours), the Company respectively entered into (i) 3 definitive agreements (the “**Acquisition Agreement(s)**”) with relevant members of the Jinke Property Group regarding the acquisition of ownership of 3 Nursery Properties with a total gross floor area of 9,677.59 square metres (the “**Acquired Nursery Property(ies)**”) with an appraised market value of RMB26,470,000 valued by an independent and qualified valuer using market approach as at 30 April 2022 at a total consideration of RMB26,470,000; and (ii) 28 definitive agreements (the “**Leasing Agreement(s)**”) with relevant members of the Jinke Property Group regarding the acquisition of right-of-use assets of 28 Nursery Properties in the form of lease with a total gross floor area of 66,692.8 square metres (the “**Leased Nursery Property(ies)**”) with an appraised market value of RMB176,530,000 valued by an independent and qualified valuer using market approach as at 30 April 2022 at a total consideration of RMB176,530,000.

### **THE ACQUISITION AGREEMENTS AND ACQUIRED NURSERY PROPERTIES**

The terms of the Acquisition Agreements are substantially the same and are summarized as follows:

- Date:** 7 July 2022 (after trading hours)
- Parties:** (a) A designated member of the Jinke Property Group (the “**Designated Member**”); and
- (b) The Company.
- Subject matter:** Pursuant to the Acquisition Agreement, the Designated Member has conditionally agreed to sell and the Company has conditionally agreed to acquire the ownership of the relevant Acquired Nursery Property.

**Consideration:** The consideration under each Acquisition Agreement is determined after the arm's length negotiations between the Company and Jinke Property with reference to, among others, the appraised market value of the relevant Acquired Nursery Property valued by an independent and qualified valuer using market approach as at 30 April 2022.

**Payment terms:** The consideration under each Acquisition Agreement shall be paid by cash in one lump sum to the relevant Designated Member.

**Delivery:** Upon the entering of the Acquisition Agreement, the Company may require the Designated Member to transfer the title of relevant Acquired Nursery Property to the Company. The Designated Member shall cooperate to handle such transfer procedure within five business days upon receiving such request from the Company in writing.

**Termination:** The Acquisition Agreement may be unilaterally terminated by the Company as follows:

- (a) the definitive sale and purchase agreement (the "**Share Purchase Agreement**") between the Company and Jinkejin Education for the acquisition of the Sale Equity has not been entered into by 31 August 2022;
- (b) the Share Purchase Agreement has been entered into but is subsequently terminated pursuant to the relevant terms and conditions;
- (c) the definitive cooperation agreement (the "**Cooperation Agreement**") among the Company, the Target Company and Tianjin Jinjiefu for the obligation of the Company to pay up the unpaid portion of registered capital of the Sale Equity being RMB19,998,000 has not been entered into by 31 August 2022;
- (d) the Cooperation Agreement has been entered into but is subsequently terminated pursuant to the relevant terms and conditions; or
- (e) the registration of Sale Equity under the name of the Company has not been succeeded.

Based on the information available, the rental income before tax attributable to the Acquired Nursery Properties for the two years ended 31 December 2021 amounted to approximately RMB504,373 and RMB529,589 respectively, while the rental income after tax attributable to the Acquired Nursery Properties for the two years ended 31 December 2021 amounted to approximately RMB378,280 and RMB397,192 respectively.

## THE LEASING AGREEMENTS AND LEASED NURSERY PROPERTIES

The terms of the Leasing Agreements are substantially the same and are summarized as follows:

- Date:** 7 July 2022 (after trading hours)
- Parties:**
- (a) the Designated Member
  - (b) the Company.
- Subject matter:** Pursuant to the Leasing Agreement, the Company has conditionally agreed to acquire the right-of-use assets of the relevant Leased Nursery Property from the relevant Designated Member.
- Term:** 20 years commencing from the Delivery Date (as defined below), which is renewable without further payment upon the unilateral discretion of the Company.
- Consideration:** The consideration under each Leasing Agreement will be paid in the form of rent which is determined after the arm's length negotiations between the Company and Jinke Property with reference to, among others, the appraised market value of the relevant Leased Nursery Property valued by an independent and qualified valuer using market approach as at 30 April 2022.
- Payment schedule:** The consideration under each leasing Agreement shall be paid in one lump sum to the Designated Member within three business days upon the date of the Leasing Agreement.
- Delivery:** The Designated Member shall deliver the Leased Nursery Property to the Company within three business days upon the payment of the consideration. The Company shall be entitled to any rights of owner of the Leased Nursery Property since such date of delivery (the "**Delivery Date**").
- In the event that the ownership of relevant Leased Nursery Property becomes transferable according to the relevant law and regulations, the Company may immediately require the Designated Member to transfer such title to it without any further payment.
- Termination:** The Leasing Agreement may be unilaterally terminated by the Company as follows:
- (a) the Share Purchase Agreement has not been entered into by 31 August 2022;
  - (b) the Share Purchase Agreement has been entered into but subsequently terminated pursuant to the relevant terms and conditions;
  - (c) the Cooperation Agreement has not been entered into by 31 August 2022;

- (d) the Cooperation Agreement has been entered into but is subsequently terminated pursuant to the relevant terms and conditions; or
- (e) the registration of Sale Equity under the name of the Company has not been succeeded.

Based on the information available, the rental income before tax attributable to the Leased Nursery Properties for the two years ended 31 December 2021 amounted to approximately RMB2,800,259 and RMB2,859,189 respectively, while the rental income after tax attributable to the Leased Nursery Properties for the two years ended 31 December 2021 amounted to approximately RMB2,100,494 and RMB2,144,871 respectively.

According to Hong Kong Financial Reporting Standard 16 Leases, the entering into of the Leasing Agreements and the transactions contemplated thereunder will be deemed as acquisitions of right-of-use assets of the Leased Nursery Properties by the Group.

## INFORMATION ABOUT THE PARTIES

### The Group

The Group is primarily engaged in the provision of (i) space property management services; (ii) community value-added services; (iii) local catering services; and (iv) smart living technology solutions.

### Jinke Property Group

The Designated Members are Chongqing Jinke Huiyi Real Estate Development Co., Ltd.\* (重慶市金科匯宜房地產開發有限公司), Chongqing Jinke Zhengtao Real Estate Development Co., Ltd.\* (重慶金科正韜房地產開發有限公司), Chongqing Bishan Jinke Zhongxi Real Estate Co., Ltd.\* (重慶市璧山區金科眾璽置業有限公司), Chongqing Jinke Huimao Real Estate Development Co., Ltd.\* (重慶金科匯茂房地產開發有限公司), Chongqing Jinke Zhuchen Real Estate Co., Ltd.\* (重慶金科竹宸置業有限公司), Chongqing Jinke Yijia Real Estate Development Co., Ltd.\* (重慶金科億佳房地產開發有限公司), Jinke Property, Chongqing Jinke Industrial Group Hongjing Real Estate Development Co., Ltd.\* (重慶市金科實業集團弘景房地產開發有限公司), Chongqing Jiangjin District Jinke Guojun Real Estate Co., Ltd.\* (重慶市江津區金科國竣置業有限公司), Chongqing Jinke Junwei Real Estate Development Co., Ltd.\* (重慶金科郡威房地產開發有限公司), Chongqing Jinke Xingju Real Estate Co., Ltd.\* (重慶市金科星聚置業有限公司), Chongqing Jinke Xingkun Real Estate Development Co., Ltd.\* (重慶市金科星坤房地產開發有限公司), Chongqing Jinke Changjin Real Estate Co., Ltd.\* (重慶市金科昌錦置業有限公司), Chongqing Jinke Junyao Real Estate Development Co., Ltd.\* (重慶市金科駿耀房地產開發有限公司), Chenzhou Jinke Kaitian Real Estate Development Co., Ltd.\* (郴州金科凱天房地產開發有限公司), Chongqing Hengchun Real Estate Co., Ltd.\* (重慶恒春置業有限公司), Chongqing Jinke Jiachen Real Estate Development Co., Ltd.\* (重慶金科嘉辰房地產開發有限公司), Chongqing Bozhan Real Estate Development Co., Ltd.\* (重慶市搏展房地產開發有限責任公司), Chongqing Pengde Enterprise Management Co., Ltd.\* (重慶蓬得企業管理有限公司), Chongqing Jinke Chenju Real Estate Co., Ltd.\* (重慶市金科宸居置業有限公司), Chongqing Jiale Jiulong Real Estate Development Co., Ltd.\* (重慶市佳樂九龍房地產開發有限公司), Chongqing Jinke Jingyi Real Estate Development Co., Ltd.\* (重慶金科景繹房地產開發有限公司), Chongqing Jinke Industrial Group Kerun Real Estate Development Co., Ltd.\* (重慶市金科實業集團科潤房地產開發有限公司).

Jinke Property is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000656.SZ). It was established in 1998. After more than two decades of innovative development, it has become a large conglomerate featuring an overall concept of four-in-one with coordinated development of ecosystem: giving priority to real estate, strengthening smart service, improving technology industry, and boosting commerce, cultural tourism and health care, to further integrate the industrial chain ecosystem. It is a leading “service provider for wonderful life” with strong comprehensive competitiveness contributing to urban development.

All other Designated Members are subsidiaries of Jinke Property which are established in the PRC with limited liability and principally engaged in property development.

Among the Designated Members, (i) Chongqing Jinke Huiyi Real Estate Development Co., Ltd.\* (重慶市金科匯宜房地產開發有限公司) is indirectly owned as to 99.28% by Jinke Property, 0.45% by Zhao Yang (趙揚) and 0.27% by Chen Xueyu (諶雪予); (ii) Chongqing Jinke Industrial Group Hongjing Real Estate Development Co., Ltd.\* (重慶市金科實業集團弘景房地產開發有限公司) is indirectly owned as to 98.81% by Jinke Property, 0.74% by Zhao Yang (趙揚) and 0.45% by Chen Xueyu (諶雪予); (iii) Chongqing Jinke Junwei Real Estate Development Co., Ltd.\* (重慶金科郡威房地產開發有限公司) is indirectly owned as to 55% by Jinke Property and 45% by Shenzhen Jinying Investment Partnership (Limited Partnership)\* (深圳錦盈投資合夥企業(有限合夥)) (which is in turn indirectly owned as to 98.57% by Haomai Wealth Management Co., Ltd.\* (好買財富管理股份有限公司) (a company listed on National Equities Exchange and Quotations with a stock code: 834418), and 1.43% by a partnership enterprise who is an Independent Third Party); (iv) Chongqing Jinke Jiachen Real Estate Development Co., Ltd.\* (重慶金科嘉辰房地產開發有限公司) is indirectly owned as to 99.68% by Jinke Property, 0.18% by Chen Xueyu (諶雪予) and 0.14% by Zhao Yang (趙揚). Saved as disclosed above, all other Designated Members (excluding Jinke Property) are wholly-owned subsidiaries of Jinke Property.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AGREEMENTS AND LEASING AGREEMENTS**

As disclosed in the Announcement, for the stability and the long-term development of the nursery business of the Target Company, the Company has also decided to acquire the Nursery Properties. After completion of the relevant due diligence, the Company has decided to acquire the Acquired Nursery Properties and Leased Nursery Properties. The Company will enter into further definitive agreements to acquire the remaining 12 Nursery Properties subject to its satisfaction of the due diligence outcome.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition Agreements and Leasing Agreements and the transactions contemplated thereunder are fair and reasonable, are not entered in the ordinary and usual course of business of the Group but are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

## **BOARD APPROVAL**

At the Board meeting held to approve the Acquisition Agreements and Leasing Agreements, Mr. Luo Licheng and Mr. Liang Zhongtai who also hold management positions in Jinke Property, have abstained from voting on the relevant board resolutions of the Company. Apart from Mr. Luo Licheng and Mr. Liang Zhongtai, none of the Directors has or is deemed to have a material interest in the transactions and is required to abstain from voting on the relevant Board resolutions.

By order of the Board  
**Jinke Smart Services Group Co., Ltd.**  
**Xia Shaofei**  
*Chairman*

Chongqing, 7 July 2022

*As at the date of this announcement, the Board comprises Mr. Xia Shaofei and Mr. Xu Guofu as executive Directors, Mr. Luo Licheng and Mr. Liang Zhongtai as non-executive Directors, and Mr. Cao Guohua, Ms. Yuan Lin and Mr. Chan Chi Fung Leo as independent non-executive Directors.*

\* *for identification purpose only*