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Suxin Joyful Life Services Co., Ltd.

蘇新美好生活服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2152)

**PROPOSED DISPOSAL OF EQUITY INTEREST IN
SND YIYANG HEALTH MANAGEMENT COMPANY LIMITED
THROUGH PUBLIC TENDER**

PROPOSED DISPOSAL

The Board announces that the Company proposes to dispose of the Sale Equity through public tender at the Suzhou Exchange Centre. The successful bidder is required to enter into an asset transaction agreement with the Company in accordance with the regulations of the Suzhou Exchange Centre.

The Base Price is RMB5,808,100 which is determined with reference to the valuation of the Sale Equity by an independent valuer as at 30 September 2022 based on asset-based approach. The final consideration will depend on the final bid price, which shall not be less than the Base Price.

LISTING RULES IMPLICATION

Based on the Base Price as the basis for calculation, one or more of the applicable percentage ratios in respect of the Proposed Disposal exceed 0.1% but all of which are less than 5%. Accordingly, the Proposed Disposal (if materialized) at the Base Price will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules but may constitute a connected transaction under Chapter 14A of the Listing Rules (if the successful bidder is a connected person within the meaning of the Listing Rules). Upon confirming the final consideration for the Proposed Disposal and the identity of successful bidder, the Company will issue an appropriate announcement in compliance with all applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the Proposed Disposal may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board announces that the Company proposes to dispose of the Sale Equity through public tender at the Suzhou Exchange Centre. As the Company is a state-controlled listed company, any disposal of its state-owned property right is required to undergo the process of public tender through a qualified equity exchange organization in accordance with the regulations concerning the disposal of state-owned property right. Therefore, the Proposed Disposal will be carried out through the Suzhou Exchange Centre. According to the regulations of the Suzhou Exchange Centre, the successful bidder is required to enter into an asset transaction agreement with the Company in respect of the Proposed Disposal.

MAJOR TERMS OF THE PROPOSED DISPOSAL

The Public Tender

The Company will undergo the process of public tender at the Suzhou Exchange Centre in accordance with its regulations. Prospective bidders are subject to the qualification criterion as stipulated by the Suzhou Exchange Centre and are required to pay a deposit of RMB500,000 to the Suzhou Exchange Centre within the time stipulated by the Suzhou Exchange Centre.

Date and Procedures of the Public Tender

The Public Tender Announcement has been announced on the website of the Suzhou Exchange Centre on 24 March 2023.

Publication period of the Proposed Disposal is 30 working days from the date of the Public Tender Announcement. During such publication period, prospective bidders may indicate their intention to purchase the Sale Equity and register themselves as interested bidders. If there are two or more bidders, the successful bidder shall be determined by the bidding procedures of the Suzhou Exchange Centre. Upon the completion of the relevant bidding procedures, the Suzhou Exchange Centre will notify the Company of the identity of such successful bidder. Within 3 working days upon the notification of the successful bidder by the Suzhou Exchange Centre, the Company is required to enter into an asset transaction agreement with such successful bidder.

As at the date of this announcement, material information and major terms of such asset transaction agreement including the identity of the successful bidder, final consideration, payment, delivery and transfer time have not been determined. The Company will enter into an asset transaction agreement upon confirmation of the successful bidder and make further announcement in compliance with Chapter 14 and/or Chapter 14A of the Listing Rules. As at the date of this announcement, no asset transfer agreement has been entered into between the Company and any party in relation to the Proposed Disposal.

Consideration

The Base Price is RMB5,808,100, which is determined with reference to the valuation of the Sale Equity by an independent valuer, China Tong Cheng Assets Appraisal Co., Ltd. (中通誠資產評估有限公司) as at 30 September 2022 based on asset-based approach.

The final consideration for the Proposed Disposal shall be subject to the final bid price made at the Suzhou Exchange Centre, but in any event shall not be less than the Base Price. The successful bidder is required to pay the final consideration for the Proposed Disposal less the deposit previously paid to the Suzhou Exchange Centre to an account designated by the Suzhou Exchange Centre within 5 working days from the date of the relevant asset transfer agreement. Upon fulfilment of the conditions precedent to be stipulated in the relevant asset transfer agreement, the Suzhou Exchange Centre will pay the final consideration to an account designated by the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

Since the Company invested in the Target Company, the operating conditions of the Target Company have not met expectations and continued to incur losses for years 2021 and 2022. There is uncertainty about the future operating conditions of the Target Company. The Proposed Disposal will provide cash inflow to the Company and enable it to focus on the development of its principal businesses, which will be beneficial to the overall development of the Group.

The Directors (including the independent non-executive Directors) are of the view that the major terms and conditions of the Proposed Disposal and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Company

The Company together with its subsidiaries are providers of comprehensive city services and property management services to a wide variety of properties in the PRC, including (i) city services offered to local governments and public authorities to satisfy local residents' daily living needs and improve their living standards and experience; (ii) commercial property management services offered to industrial parks, office buildings, apartments and commercial complexes; and (iii) residential property management services.

The Target Company

The Target Company is a company established in the PRC with limited liability and is principally engaged in provision of elderly care, nursing and medical services. As at the date of this announcement, the Target Company is owned as to 49% by the Company and 51% by Suzhou Pension Industry Development Co., Ltd* (蘇州市養老產業發展有限公司), the ultimate beneficial owner of which is Zhangjiagang Municipal People's Government.

The unaudited financial information of the Target Company for the two years ended 31 December 2022 is set out below.

	For the year ended 31 December	
	2021	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Loss before tax	(6,030)	(4,107)
Loss after tax	(6,030)	(4,107)

As at 31 December 2022, the unaudited net assets of the Target Company is RMB9,751,808.

Immediately upon completion of the Proposed Disposal, the Company will cease to hold any equity interest in the Target Company.

FINANCIAL IMPACT OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

As at the date of this announcement, the final consideration for the Proposed Disposal has not been determined. Based on the Base Price as the basis for calculation, the Company expects to record a gain on the Proposed Disposal (if materialized) of approximately RMB1 million. The gain is calculated by reference to the difference between the Base Price and carrying amount of the investment in the Target Company of approximately RMB4.8 million. However, the actual gain or loss on the Proposed Disposal could only be ascertained after the final consideration for the Proposed Disposal is determined and will be subject to audit by the Company's auditor. The Company intends to use the proceeds from the Proposed Disposal as general working capital of the Group.

LISTING RULES IMPLICATIONS

Based on the Base Price as the basis for calculation, one or more of the applicable percentage ratios in respect of the Proposed Disposal exceed 0.1% but all of which are less than 5%. Accordingly, the Proposed Disposal (if materialized) at the Base Price will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules but may constitute a connected transaction under Chapter 14A of the Listing Rules (if the successful bidder is a connected person within the meaning of the Listing Rules). Upon confirming the final consideration for the Proposed Disposal and the identity of successful bidder, the Company will issue an appropriate announcement in compliance with all applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the Proposed Disposal may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Base Price”	the base price for the Proposed Disposal
“Board”	the board of Directors
“Company”	Suxin Joyful Life Services Co., Ltd. (蘇新美好生活服務股份有限公司), a joint stock company with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2152)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Proposed Disposal”	the proposed disposal of the Sale Equity by the Company through public tender
“Public Tender Announcement”	the public tender announcement published on the website of the Suzhou Exchange Centre on 24 March 2023 setting out, including but not limited to, (i) the Base Price; (ii) major terms of the tender in respect of the Proposed Disposal; and (iii) descriptions and qualification criterion of the prospective bidders
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	49% equity interest in the Target Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Exchange Center”	Suzhou Public Resources Exchange Center (蘇州市公共資源交易中心)
“Target Company”	SND Yiyang Health Management Company Limited (蘇高新怡養健康管理有限公司)

“working day(s)” working days in the PRC, except Saturdays, Sundays and statutory holidays in the PRC

“%” per cent.

* *For identification purpose only*

By order of the Board
Suxin Joyful Life Services Co., Ltd.
Cui Xiaodong
Chairman

Suzhou, the People’s Republic of China, 24 March 2023

As at the date of this announcement, the Board comprises Mr. Cui Xiaodong, Mr. Zhou Jun and Ms. Zhou Lijuan as executive Directors; Mr. Cai Jinchun, Mr. Tang Chunshan and Mr. Zhang Jun as non-executive Directors; Ms. Zhou Yun, Ms. Xin Zhu and Mr. Liu Xin as independent non-executive Directors.