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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 ACQUISITION OF 100% EQUITY INTEREST IN
SUZHOU SUTONG KEJIA ELECTROMECHANICAL ENGINEERING CO., LTD.
THROUGH PUBLIC TENDER**

PROPOSED ACQUISITION

The Board announces that on 26 July 2023, the Company has submitted a bid for the proposed acquisition of the Sale Equity, representing 100% of equity interest in the Target Company, through public tender at 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 Vendor in respect of the Proposed Acquisition. The Base Price of the Sale Equity is RMB1.

LISTING RULES IMPLICATION

As at the date of this announcement, the Vendor is a direct wholly-owned subsidiary of SND Company, a controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the Base Price as the basis for calculation, one or more of the applicable percentage ratios in respect of the Proposed Acquisition exceed 0.1% but all of which are less than 5%. Accordingly, the Proposed Acquisition (if materialized) at the Base Price will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules but will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

If the Company becomes the successful bidder, the Company will issue an appropriate announcement in compliance with all applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

As the Proposed Acquisition 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 on 26 July 2023, the Company has submitted a bid for the proposed acquisition of the Sale Equity, representing 100% of equity interest in the Target Company, through public tender at 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 Vendor in respect of the Proposed Acquisition.

MAJOR TERMS OF THE PROPOSED ACQUISITION

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 RMB10,000 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 was published on the website of the Suzhou Exchange Centre on 16 June 2023.

Publication period of the Proposed Acquisition 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. Within 3 working days upon being confirmed as the successful bidder by the Suzhou Exchange Centre, the successful bidder will be required to enter into an asset transaction agreement with the Vendor.

As at the date of this announcement, material information and major terms of such asset transaction agreement including the final consideration, payment, delivery and transfer time have not been determined. The Company will enter into the asset transaction agreement upon confirmation of becoming 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 Acquisition.

Consideration

The Based Price of the Sale Equity is RMB1. According to the valuation of the Sale Equity by an independent valuer, Jiangsu Tiandi Heng'an Real Estate Asset Appraisal Co., Ltd.* (江蘇天地恒安房地產資產評估有限公司) as at 31 December 2022, the appraised value of the Sale Equity amounted to the net liabilities of the Target Company of approximately RMB13.97 million based on the asset-based approach.

If the Company becomes the successful bidder, the final consideration for the Proposed Acquisition shall be equal to the bid price submitted by the Company. Within 5 working days from the date of the relevant asset transfer agreement, the Suzhou Exchange Centre will refund to the Company the balance of the deposit paid after deducting the final consideration. The consideration will be funded by the internal resources of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

Rapid increase in new property projects of the Company has significantly increased the Group's demand for professional property service personnel, which could not be timely satisfied by recruiting new staffs in the market. As at the date of this announcement, the Target Company has 68 employees providing professional property services. The Company considers that upon completion of the Proposed Acquisition, such personnel could be quickly integrated with the Company's existing property management services team to support the Group's business expansion and ensure stability of the Group's operation. The Board believes that such integration of professional staff with existing team members could help reduce the costs of recruiting and training new staffs, and could timely satisfy the demand for professional staff as a result of the Group's business expansion.

The Directors (including the independent non-executive Directors) are of the view that the major terms and conditions of the Proposed Acquisition 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 mechanical and electrical equipment installation engineering, water and electricity installation engineering, and other engineering services. As at the date of this announcement, the Target Company is wholly owned by the Vendor.

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>
	(Unaudited)	(Unaudited)
Loss before tax	5,827	698
Loss after tax	5,827	698

As at 31 December 2022, the unaudited net liabilities of the Target Company is approximately RMB13,989,400.

Upon completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the Company's consolidated financial statements.

The original investment incurred by the Vendor in the Target Company was approximately RMB8,000,000, representing the Vendor's capital contribution in the Target Company.

The Vendor

The Vendor is a company established in the PRC with limited liability and is principally engaged in the development and operation of industrial parks. As at the date of this announcement, the Vendor is owned as to 100% by SND Company, a wholly state-owned company established in the PRC and a controlling shareholder of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is a direct wholly-owned subsidiary of SND Company, a controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the Base Price as the basis for calculation, one or more of the applicable percentage ratios in respect of the Proposed Acquisition exceed 0.1% but all of which are less than 5%. Accordingly, the Proposed Acquisition (if materialized) at the Base Price will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules but will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules..

If the Company becomes the successful bidder, the Company will issue an appropriate announcement in compliance with all applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

As the Proposed Acquisition 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 Acquisition
“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 Acquisition”	the proposed acquisition 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 16 June 2023 setting out, including but not limited to, (i) the Base Price; (ii) major terms of the tender in respect of the Proposed Acquisition; and (iii) descriptions and qualification criterion of the prospective bidders
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	100% equity interest in the Target Company
“Shareholder(s)”	shareholders of the Company
“SND Company”	Suzhou Sugaoxin Group Co., Ltd.* (蘇州蘇高新集團有限公司), a wholly state-owned company established in the PRC with limited liability on 8 February 1988 and a controlling shareholder 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”	Suzhou Sutong Kejia Electromechanical Engineering Co., Ltd.* (蘇州蘇銅科嘉機電工程有限公司)
“Vendor”	Suzhou Gaoxin Zhitai Innovation Development Co., Ltd.* (蘇州高新智泰創新發展有限公司)
“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, 26 July 2023

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