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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 RUNJIA 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 Vendors in respect of the Proposed Acquisition. The Base Price of the Sale Equity is RMB4,190,800.

LISTING RULES IMPLICATION

As at the date of this announcement, Vendor 1 is a direct wholly-owned subsidiary of SND Company and Vendor 2 is a non-wholly owned subsidiary of SND Company. As SND Company is a controlling shareholder of the Company, each of the Vendors is 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 Vendors 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 RMB1,250,000 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 Base Price of the Sale Equity is RMB4,190,800, which was determined with reference 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 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. The Company will be required to pay the final consideration for the Proposed Acquisition 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 Vendor. The consideration will be funded by the internal resources of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

In 2023, the Company plans to undertake certain sporadic engineering work in its projects under management. The Proposed Acquisition could facilitate the establishment of the Company's own sporadic engineering team and meet the demand for sporadic engineering and maintenance services arising from the Group's property management operations, thereby lowering the costs of provision of property management services and improving operating efficiency. Meanwhile, the Target Company has been providing professional services to Vendor 2, which is expected to continue upon completion of the Proposed Acquisition, bringing sustainable service income to the Company.

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 engineering construction services. As at the date of this announcement, the Target Company is owned as to 51% by Vendor 1 and 49% by Vendor 2.

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)
Profit before tax	35	42
Profit after tax	26	41

As at 31 December 2022, the unaudited net asset value of the Target Company is approximately RMB4,067,300.

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 costs of investment incurred by the Vendor 1 and Vendor 2 in the Target Company were approximately RMB1,960,000 and RMB2,040,000, respectively, representing the Vendors' capital contribution the Target Company.

The Vendors

Vendor 1 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, Vendor 1 is owned as to 100% by SND Company, a wholly state-owned company established in the PRC and a controlling shareholder of the Company.

Vendor 2 is a company established in the PRC with limited liability and is principally engaged in the production of tap water and related facilities in Suxin District and the design and construction of water supply network. As at the date of this announcement, Vendor 2 is owned as to 92.9% by SND Company, a wholly state-owned company established in the PRC, and 7.1% by SND Gaoxin Tech Industry Co., Ltd.* (蘇州新區高新技術產業股份有限公司), an A-share company listed on the Shanghai Stock Exchange (stock code: 600736) which is owned as to approximately 43.79% by SND Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Vendor 1 is a direct wholly-owned subsidiary of SND Company and Vendor 2 is a non-wholly owned subsidiary of SND Company. As SND Company is a controlling shareholder of the Company, each of the Vendors is 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”	Sale Equity 1 and Sale Equity 2, collectively, being 100% equity interest in the Target Company
“Sale Equity 1”	49% equity interest in the Target Company held by Vendor 1
“Sale Equity 2”	51% equity interest in the Target Company held by Vendor 2
“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 Runjia Engineering Co., Ltd.* (蘇州潤嘉工程有限公司)
“Vendor 1”	Suzhou Gaoxin Zhitai Innovation Development Co., Ltd.* (蘇州高新智泰創新發展有限公司)
“Vendor 2”	Suzhou High tech Zone Water Supply Co., Ltd.* (蘇州高新區自來水有限公司)
“Vendors”	Vendor 1 and Vendor 2, collectively
“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.