

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



New Hope Service Holdings Limited

新希望服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3658)

CONNECTED TRANSACTION ACQUISITION OF 80% OF EQUITY INTERESTS IN THE TARGET COMPANY

BACKGROUND

Reference is made to the Prospectus in relation to, among others, the description of the Target Company. As disclosed in the Prospectus, during the Reorganization, Jianzhu Tongyi Construction Office then refused to waive its right of first refusal if New Hope Wuxin proposes to dispose of its indirect equity interest in the Target Company to New Hope Service and it also expressly denied the proposal of changing the shareholding structure of the Target Company. As such, the indirect equity interest held by New Hope Wuxin in the Target Company was not transferred to the Group as part of the Reorganization and New Hope Wuxin had undertaken to the Company that if the consent from Jianzhu Tongyi Construction Office is obtained in the future, it will transfer its 30% indirect equity interest in the Target Company to the Group. On 3 November 2023 (after trading hours), since the consent has been obtained from Jianzhu Tongyi Construction Office, New Hope Service, a subsidiary of the Company, has respectively entered into the Agreement A with Minjiang Garden and Agreement B with Jianzhu Tongyi Construction Office for the acquisition of the 80% equity interests in the Target Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liu is a controlling shareholder of the Company, New Hope Wuxin is indirectly controlled by Mr. Liu and Minjiang Garden is held as to 50% by New Hope Wuxin. Thus, Minjiang Garden is an associate of Mr. Liu and hence a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14A.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition shall be subject to the reporting and announcement requirements but is exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Prospectus in relation to, among others, the description of the Target Company. As disclosed in the Prospectus, during the Reorganization, Jianzhu Tongyi Construction Office then refused to waive its right of first refusal if New Hope Wuxin proposes to dispose of its indirect equity interest in the Target Company to New Hope Service and it also expressly denied the proposal of changing the shareholding structure of the Target Company. As such, the indirect equity interest held by New Hope Wuxin in the Target Company was not transferred to the Group as part of the Reorganization and New Hope Wuxin had undertaken to the Company that if the consent from Jianzhu Tongyi Construction Office is obtained in the future, it will transfer its 30% indirect equity interest in the Target Company to the Group. On 3 November 2023 (after trading hours), since the consent has been obtained from Jianzhu Tongyi Construction Office, New Hope Service, a subsidiary of the Company, has respectively entered into the Agreement A with Minjiang Garden and Agreement B with Jianzhu Tongyi Construction Office for the acquisition of the 80% equity interests in the Target Company.

THE ACQUISITION

The principal terms of Agreement A and Agreement B are substantially the same, which are summarized as follows:

	Agreement A	Agreement B
Date	3 November 2023 (after trading hours)	3 November 2023 (after trading hours)

	Agreement A	Agreement B
Parties	<p>(a) New Hope Service as the purchaser;</p> <p>(b) Minjiang Garden as the vendor</p>	<p>(a) New Hope Service as the purchaser;</p> <p>(b) Jianzhu Tongyi Construction Office as the vendor</p>
Assets to be acquired	60% equity interests of the Target Company	20% equity interests of the Target Company
Consideration	RMB6,175,440, which shall be paid to the designated account within five business days	RMB2,058,500, which shall be paid to the designated account within five business days
Basis for the consideration	<p>The respective consideration contemplated under the Agreement A and Agreement B is determined after arm's length negotiations between the purchaser and the relevant vendor with reference to, among others, (i) a valuation of RMB10,320,000 for 100% equity interests of the Target Company as at 31 August 2023 as valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent qualified valuer using market approach, which has taken into account the factors that (a) the enterprise value-to-sales ratio of the Target Company being 0.07 and the revenue being RMB38,093,724 of the Target Company for the year ended 31 December 2022; (b) the cash of the Target Company as at 31 August 2023 being RMB9,388,244; and (c) a discount of 15.05% for the share price of the Target Company due to the lack of liquidity; (ii) the percentage of equity interests to be acquired under the Agreement A and Agreement B respectively; and (iii) the reason and benefits for the Acquisition as disclosed in the paragraphs headed "Reasons for and the Benefits of the Acquisition" below.</p> <p>The consideration will be financed by the internal resources of the Group and will not use the proceeds from the Listing.</p>	
Completion	<p>The relevant vendor of the Agreement A and Agreement B shall cooperate with New Hope Service to complete the ownership registration for the equity interests to be acquired as contemplated thereunder within one month upon the payment of the consideration.</p>	

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

The Target Company was established in November 1999 and is principally engaged in the provision of property management services to three residential property projects and a commercial complex in Chengdu, Sichuan Province. As disclosed in the 2022 annual report of the Company, the Group will make full use of the development opportunity posed by Chengdu's new-type urbanization, focus on the greater Chengdu market, explore in the city, and give full play to core resources. The property and commercial projects under management of the Target Company are all located in the core area of the main urban area of Chengdu, which are highly integrated with the Group's deeply cultivated areas, and can generate stronger synergy with the Group and facilitate the Group's overall management; the acquisition of equity interest of the Target Company can further optimize the Group's brand influence in Chengdu region, and drive high quality development across all business segments of the Group, making Chengdu livable, and offering new services for people's livelihood.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement A and Agreement B 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 and in the interests of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION ON THE TARGET COMPANY

The 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)</i>	<i>(RMB)</i>
	(audited)	(audited)
Profit before the tax	1,582,962.74	70,448.35
Profit after the tax	1,472,504.07	67,499.35

As at 31 August 2023, the unaudited net asset of the Target Company is RMB8,563,914.1.

As at the date of this announcement, the Target Company is owned as to 60% by Minjiang Garden, 20% by Jianzhu Tongyi Construction Office and 20% by New Hope Service. The registered capital of the Target Company is RMB5,000,000. The original cost of Minjiang Garden and Jianzhu Tongyi Construction Office for the subscription of registered capital of the Target Company is RMB3,000,000 and RMB1,000,000 respectively, which has been fully paid up. Immediately upon completion of the Acquisition, the Target Company shall become a wholly-owned subsidiary of the Company and the financial results of which will be consolidated into the financial statements of the Group.

INFORMATION ON THE PARTIES

The Group and New Hope Service

The Group is a well-established comprehensive property management and lifestyle service operator in China, providing property management services, value-added services to non-property owners, commercial operational services and lifestyle services.

New Hope Service is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. As at the date of this announcement, New Hope Service is principally engaged in the provision of property management service, value-added services to non-property owners, commercial operational services and lifestyle services.

Minjiang Garden and New Hope Wuxin

Minjiang Garden is a company established in the PRC with limited liability which is principally engaged in property development and is held as to 50% by Jianzhu Tongyi Construction Office and 50% by a wholly-owned subsidiary of New Hope Wuxin.

New Hope Wuxin is a company established in the PRC with limited liability which is principally engaged in the property development. As at the date of this announcement, New Hope Wuxin is owned as to approximately 30.48% by Southern Hope Industrial Co., Ltd.* (南方希望實業有限公司) (the “**Southern Hope**”), 29.52% by New Hope Group Co., Ltd.* (新希望集團有限公司) (the “**New Hope Group**”), 20.45% by Ningbo Zhuosheng Investment Co., Ltd.* (寧波卓晟投資有限公司) (the “**Ningbo Zhuosheng**”), 17.95% by New Hope Investment Group Co., Ltd.* (新希望投資集團有限公司) (the “**New Hope Investment**”), 1.07% by Ms. Liu and 0.53% by Chengdu Good Food Street Catering and Entertainment Co., Ltd.* (成都好吃街餐飲娛樂有限公司) (the “**Good Food Street Catering**”).

Based on public information available, Southern Hope is owned as to 51% by New Hope Group and 49% by Ningbo Zhuosheng; New Hope Group is owned as to 75% by New Hope Holding Group Co., Ltd.* (新希望控股集團有限公司), 14.60% by Mr. Liu, 9.09% by Ms. Liu and 1.31% by Ms. Li Wei (李巍); Ningbo Zhuosheng is owned as to 72.66% by Tibet Tianyi Industrial Co., Ltd.* (西藏添益實業有限公司) (the “**Tibet Tianyi**”) and 27.34% by Mr. Liu; Tibet Tianyi is wholly owned by Charis Investment Holdings Pte. Ltd. which is in turn owned as to 98% by Ms. Liu and 2% by Ms. Li Wei (李巍).

New Hope Investment is wholly owned by New Hope Holding Group Co., Ltd.* which is in turn indirectly wholly owned by Mr. Liu.

Good Food Street Catering is owned as to 90% by Ms. Li Wei (李巍) and 10% by Ms. Liu.

Jianzhu Tongyi Construction Office

Jianzhu Tongyi Construction Office is a public institution registered under the law of PRC and is principally engaged in the urban infrastructure construction, city reconstruction, new area development. Jianzhu Tongyi Construction Office is established and wholly controlled by the government of Chengdu city. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jianzhu Tongyi Construction Office and its ultimate beneficial owner are Independent Third Parties.

BOARD APPROVAL

At the Board meeting held to approve the Acquisition, Ms. Wu Min as executive Director and Mr. Jiang Mengjun, Mr. Liu Xu, Mr. Dong Li and Ms. Zhang Wei as non-executive Directors are considered as having a material interest in the transactions contemplated under the relevant agreement due to their respective management positions held at the relevant subsidiaries or shareholders of New Hope Wuxin. Accordingly, each of Mr. Jiang Mengjun, Ms. Wu Min, Mr. Liu Xu, Mr. Dong Li and Ms. Zhang Wei has abstained from voting on the Board resolution for approving the Acquisition.

Save as disclosed above, none of the Directors was required to abstain from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liu is a controlling shareholder of the Company, New Hope Wuxin is indirectly controlled by Mr. Liu and Minjiang Garden is held as to 50% by New Hope Wuxin. Thus, Minjiang Garden is an associate of Mr. Liu and hence a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14A.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition shall be subject to the reporting and announcement requirements but is exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition” the acquisition of the 80% equity interests in the Target Company

“Agreement A”	the agreement dated 3 November 2023 entered into between the New Hope Service and Minjiang Garden in relation to the Acquisition
“Agreement B”	the agreement dated 3 November 2023 entered into between the New Hope Service and Jianzhu Tongyi Construction Office in relation to the Acquisition
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	New Hope Service Holdings Limited (新希望服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Jianzhu Tongyi Construction Office”	Chengdu Civil Jianzhu Tongyi Construction Office* (成都市民用建築統一建設辦公室)
“Listing”	the listing of Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Liu”	Mr. Liu Yonghao, one of the controlling shareholders of the Company
“Ms. Liu”	Ms. Liu Chang, one of the controlling shareholders of the Company

“Minjiang Garden”	Chengdu Minjiang New Hope Garden Property Development Co., Ltd.* (成都岷江新希望花園房地產開發有限責任公司)
“New Hope Wuxin”	New Hope Wuxin Industrial Group Co., Ltd.* (新希望五新實業集團有限公司), formerly known as Sichuan New Hope Property Development Co., Ltd.* (四川新希望房地產開發有限公司), a company indirectly controlled by Mr. Liu
“New Hope Service”	the New Hope Property Service Group Co., Ltd.* (新希望物業服務集團有限公司)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 11 May 2021
“Reorganization”	the reorganization of the Group in preparation of the Listing
“Share(s)”	the ordinary share of the Company
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chengdu Jinguan Xincheng Property Management Co., Ltd.* (成都錦官新城物業管理有限責任公司)
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meters
“%”	per cent

* For identification purpose only

By Order of the Board
New Hope Service Holdings Limited
Jiang Mengjun
Chairman of the Board

Hong Kong, 3 November 2023

As at the date of this announcement, the Board comprises Ms. Wu Min (Co-chairman of the Board) and Ms. Chen Jing as executive Directors, Mr. Jiang Mengjun (Chairman of the Board), Mr. Dong Li, Mr. Liu Xu and Ms. Zhang Wei as non-executive Directors and Mr. Cao Qilin, Mr. Kong Chi Mo and Mr. Li Zhengguo as independent non-executive Directors.