

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.

SUNAC 融創服務

SUNAC SERVICES HOLDINGS LIMITED

融創服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01516)

EXEMPTED CONNECTED TRANSACTION

**PROPERTY ACQUISITION THROUGH
SETTLEMENT OF RECEIVABLES**

PROPERTY TRANSFER AGREEMENT

On 28 December 2023, the Group entered into the Property Transfer Agreement with Members of the Sunac Group, pursuant to which Members of the Sunac Group shall transfer the Target Properties to the Group at a consideration of approximately RMB7.248 million to be satisfied by offsetting the equivalent outstanding amount payable by the relevant Members of the Sunac Group to the Group.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Sunac China holds a total of 49.7% interest in the Company. Sunac China is a controlling shareholder and a connected person of the Company under the Listing Rules. The transaction contemplated under the Property Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for the transaction contemplated under the Property Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Property Transfer Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 28 December 2023, the Group entered into the Property Transfer Agreement with Members of the Sunac Group, pursuant to which Members of the Sunac Group shall transfer the Target Properties to the Group at a consideration of approximately RMB7.248 million to be satisfied by offsetting the equivalent outstanding amount payable by the relevant Members of the Sunac Group to the Group.

SUMMARY OF THE PROPERTY TRANSFER AGREEMENT

Set out below is a summary of the Property Transfer Agreement:

Date

28 December 2023

Parties

- (i) Member A of the Sunac Group;
- (ii) Member B of the Sunac Group;
- (iii) Company C of the Group;
- (iv) Company D of the Group;
- (v) Company E of the Group; and
- (vi) Company F of the Group.

Subject Matter

According to the Property Transfer Agreement, Member A of the Sunac Group agreed to transfer the Target Properties to Company C of the Group in order to settle the respective accounts receivables owed by Member A of the Sunac Group and Member B of the Sunac Group to Company C of the Group, Company D of the Group, Company E of the Group and Company F of the Group.

Consideration

The consideration of the Property Transfer is RMB7,247,538.16, which shall be satisfied by offsetting the equivalent outstanding amount payable by Member A of the Sunac Group and Member B of the Sunac Group to the Group arising from the provision of services by the Group to them.

The consideration of the Property Transfer has been determined on the basis of normal commercial terms and arm's length negotiations between the parties, taking into account, among other things, the information and particulars relating to the Target Properties and the appraised value. The valuation of the Target Properties as at 5 December 2023 was RMB7,289,400.00, as valued by the Independent Qualified Valuer using the market approach.

Target Properties

The Target Properties are located at Qihe county which is beside Jinan City and around 20km away from Jinan West Railway Station, with an aggregate gross floor area of approximately 520.7 square meters. They are shops of the Group's commercial project under management, which is adjacent to Wanda Plaza, with plenty of surrounding facilities, enjoying a favourable marketability and operational prospect.

There is no original acquisition cost for the Sunac Group to acquire the Target Properties as the Target Properties are part of the property projects developed by the Sunac Group.

Completion

Company C of the Group should assign a buyer to sign a sale and purchase contract with Member A of the Sunac Group before 30 June 2024 and complete the relevant registration.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY TRANSFER AGREEMENT

The entry into the Property Transfer Agreement between the Group and Members of the Sunac Group will enable the Group to recover parts of the receivables due and payable by Members of the Sunac Group, which is conducive to the resolution of the Group's accounts receivable risk and will not have any adverse impact on the cash flow and liquidity of the Group. The Group prudently selects properties that have clear ownership and marketability and considers using the market information resources gathered from projects under management to expedite the sales of the Target Properties.

The Directors (including the independent non-executive Directors but excluding Mr. Wang Mengde, who has abstained from voting on the relevant Board resolutions due to his role as an executive director of Sunac China) are of the view that the terms of the Property Transfer Agreement and the transactions contemplated thereunder are not entered into in the ordinary and usual course of business of the Group but are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BOARD APPROVAL

To the best of the Directors' knowledge having made all reasonable enquiries, save for Mr. Wang Mengde, none of the Directors has any material interest in the transaction contemplated under the Property Transfer Agreement. Mr. Wang Mengde, as an executive director of Sunac China, has abstained from voting on the relevant Board resolutions.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Sunac China holds a total of 49.7% interest in the Company. Sunac China is a controlling shareholder and a connected person of the Company under the Listing Rules. The transaction contemplated under the Property Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) for the transaction contemplated under the Property Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Property Transfer Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of property management services, community living services, value-added services to non-property owners and commercial operational services in the PRC.

Sunac China

Sunac China is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1918). With the brand philosophy of "passion for perfection", the Sunac Group is committed to providing wonderful living environment and services for Chinese families through high-quality products and services and integration of high-quality resources. With a focus on its core business of real estate, the Sunac Group implements its strategic layout in real estate development, property management, ice & snow operation management, cultural tourism, culture and other business segments. After 20 years of development, the Sunac Group has become a leading enterprise in China's real estate industry, a leading ice & snow industry operator and a leading cultural tourism industry operator and property owner in China, with nationwide leading capabilities in comprehensive urban development and integrated industrial operation.

Member A of the Sunac Group

Member A of the Sunac Group is a limited company established in the PRC and is principally engaged in the business of real estate development and operation. It is (1) 40% owned by Nanchang Municipal Public Real Estate Group Co., Ltd. (a company controlled by Nanchang State-owned Assets Supervision and Administration Commission); (2) 35% owned by Jinan Sunac Real Estate Co., Ltd. (an indirect wholly-owned subsidiary of Sunac China); and (3) 25% owned by Beijing Ruifeng Huacheng Real Estate Development Co., Ltd. (whose ultimate beneficial owners are Zhou Fang and Hu Bin).

Member B of the Sunac Group

Member B of the Sunac Group is a limited company established in the PRC and is principally engaged in the business of real estate development and operation. It is (1) 40% owned by Nanchang Municipal Public Real Estate Group Co., Ltd. (a company controlled by Nanchang State-owned Assets Supervision and Administration Commission); (2) 49% owned by Beijing Ruifeng Huacheng Real Estate Development Co., Ltd. (whose ultimate beneficial owners are Zhou Fang and Hu Bin); and (3) 11% owned by Jinan Sunac Real Estate Co., Ltd. (an indirect wholly-owned subsidiary of Sunac China).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owners of Nanchang Municipal Public Real Estate Group Co., Ltd. and Beijing Ruifeng Huacheng Real Estate Development Co., Ltd. are third parties independent of the Company and its connected persons.

Company C of the Group

Company C of the Group is an indirect wholly-owned subsidiary of the Company and is principally engaged in property management.

Company D of the Group

Company D of the Group is an indirect wholly-owned subsidiary of the Company and is principally engaged in property management.

Company E of the Group

Company E of the Group is an indirect wholly-owned subsidiary of the Company and is principally engaged in construction management services.

Company F of the Group

Company F of the Group is an indirect wholly-owned subsidiary of the Company and is principally engaged in engineering and construction activities.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Sunac Services Holdings Limited (融創服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Company C of the Group”	Sunac Services Group Co., Ltd. Shandong Branch (融創物業服務集團有限公司山東分公司), a company established in the PRC
“Company D of the Group”	Sunac Services Group Co., Ltd. Qihe Branch (融創物業服務集團有限公司齊河分公司), a company established in the PRC
“Company E of the Group”	Hainan Rongrui Business Management Consultancy Co., Ltd. Shandong Branch (海南融瑞企業管理諮詢有限公司山東分公司), a company established in the PRC
“Company F of the Group”	Tianjin Sunac Engineering Equipment Installation Co., Ltd. Shandong Branch (天津融創工程設備安裝有限公司山東分公司), a company established in the PRC
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Qualified Valuer”	Tinho International Real Estate Land Assets Appraisal Group Co. Ltd (天昊國際房地產土地資產評估集團有限公司), an independent professional valuer

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Member A of the Sunac Group”	Qihe Sunac Dadao Real Estate Co., Ltd. (齊河融創大道置業有限公司), a company established in the PRC
“Member B of the Sunac Group”	Jiyang County Sunac Dadao Real Estate Co., Ltd. (濟陽縣融創大道置業有限公司), a company established in the PRC
“Members of the Sunac Group”	Sunac China, its subsidiaries and its associates and joint ventures, which, for the purpose of the Property Transfer Agreement and the transactions contemplated thereunder, does not include the Group
“PRC”	the People’s Republic of China
“Property Transfer”	the transfer of the Target Properties pursuant to the Property Transfer Agreement
“Property Transfer Agreement”	the agreement signed by and among the Member A of the Sunac Group, Member B of the Sunac Group, Company C of the Group, Company D of the Group, Company E of the Group and Company F of the Group on 28 December 2023 in respect of the transfer of the Target Properties
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Sunac China”	Sunac China Holdings Limited (融創中國控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1918). Sunac China is a controlling shareholder of the Company

“Sunac Group”	Sunac China and its subsidiaries, which, for the purpose of the Property Transfer Agreement and the transactions contemplated thereunder, does not include the Group
“Target Properties”	two sets of shops located in Qihe County, Dezhou City, Shandong Province, the PRC
“%”	per cent

By order of the Board
Sunac Services Holdings Limited
Wang Mengde
Chairman

Hong Kong, 28 December 2023

As at the date of this announcement, the chairman of the Board and non-executive director is Mr. Wang Mengde; the executive directors are Ms. Cao Hongling and Ms. Yang Man; the non-executive directors are Mr. Lu Peng and Mr. Gao Xi; and the independent non-executive directors are Ms. Wang Lihong, Mr. Yao Ning and Mr. Zhao Zhonghua.