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SHIMAO SERVICES HOLDINGS LIMITED

世茂服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 873)

**DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE COMPANY**

FORMATION OF JOINT VENTURE COMPANY

On 31 October 2024, Chengdu Shimao Tiancheng, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with the Joint Venture Partner under which the parties agreed to establish the Joint Venture Company to build and operate charging stations for electric vehicles in the PRC.

Pursuant to the terms of the Investment Agreement, the registered capital of the Joint Venture Company will be RMB400,000,000. Chengdu Shimao Tiancheng will contribute RMB196,000,000 and the Joint Venture Partner will contribute the remaining RMB204,000,000 towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 49% by Chengdu Shimao Tiancheng and as to 51% by the Joint Venture Partner upon its establishment.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company is more than 5% but less than 25%, the transactions contemplated under the Investment Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FORMATION OF JOINT VENTURE COMPANY

On 31 October 2024, Chengdu Shimao Tiancheng, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with the Joint Venture Partner under which the parties agreed to establish the Joint Venture Company. The principal terms of the Investment Agreement are set out below.

Subject matter

The Joint Venture Company will be a limited liability company to be established in accordance with the laws of the PRC and the provisions of the Investment Agreement.

The proposed name of the Joint Venture Company is 蘇州茂有充新能源科技有限公司 (Suzhou Maoyou Charge New Energy Technology Co. Ltd.*) and is subject to the final name as approved and registered by the relevant government authority in the PRC.

Purpose of the Joint Venture Company

The Joint Venture Company will focus on the construction, installation, operation and investment of electric vehicles charging stations and related businesses for EVs in the PRC.

Capital contribution

Pursuant to the terms of the Investment Agreement, the registered capital of the Joint Venture Company will be RMB400,000,000. The capital to be contributed by the parties to the Joint Venture Company and the shareholding of the Joint Venture Company upon its establishment will be as follows:

Shareholders	Capital contribution (RMB)	Shareholding percentage
Chengdu Shimao Tiancheng Joint Venture Partner	196,000,000 204,000,000	49% 51%
Total	400,000,000	100%

The parties to the Investment Agreement shall make their respective capital contribution in cash within 1 month after the establishment of the Joint Venture Company.

The amount of capital contribution was determined after arm's length negotiations between the parties with reference to the initial capital requirement of the Joint Venture Company for setting up its operations.

The Group intends to finance its investment in the Joint Venture Company from its internal resources.

Management of the Joint Venture Company

The Joint Venture Company will not have a board of directors. The Joint Venture Partner will appoint one executive director of the Joint Venture Company who will be responsible for the management and operation of the Joint Venture Company.

The Joint Venture Company will not have a supervisory committee. Chengdu Shimao Tiancheng will appoint the sole supervisor of the Joint Venture Company.

Certain material corporate matters, including (i) amendments of the articles of association of the Joint Venture Company; (ii) the increase or reduction of the registered capital of the Joint Venture Company; (iii) the transfer of equity interests in the Joint Venture Company; (iv) the merger, division, dissolution, liquidation or change of the company form of the Joint Venture Company; (v) issuance of corporate bonds; (vi) provision of any form of guarantee internally and/or externally; or (vii) external investment and financing, will require resolutions of two-thirds of the shareholders of the Joint Venture Company.

As the Group will not hold the majority of the equity interests in the Joint Venture Company nor will it be responsible for its management, the Joint Venture Company will be accounted as a joint venture of the Group and its results will not be consolidated in the financial statements of the Company.

Information on the parties

The Company

The Company is an investment holding company and the Group is principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and city services.

Chengdu Shimao Tiancheng

Chengdu Shimao Tiancheng is a limited liability company established in the PRC and is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners. It is an indirect wholly-owned subsidiary of the Company.

Joint Venture Partner

The Joint Venture Partner is a limited liability company established in the PRC. It is principally engaged in the research and development of emerging energy technologies, the operation of centralized fast charging stations, EVs charging infrastructure operation, the sales of motor vehicle charging, charging pile and new energy vehicle replacement facilities, and the provision of energy storage technology services, etc. As at the date of this announcement, the Joint Venture Partner is owned as to 50% by 張國璽 (Zhang Guoxi) and as to 50% by 陳立宇 (Chen Liyu).

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the Joint Venture Partner and its ultimate beneficial owners are not connected persons of the Company.

Reasons and benefits

The Group is one of the property management service providers in the PRC, providing property management and community value-added services to nearly 3.2 million property owners in 144 cities in the PRC. In recent years, there has been a rapid growth in the number of EVs on the market in response to the PRC government's national strategic plan for new energy vehicles. In 2023, the EVs accounting for 50% of all new vehicles sales. With the increase in the number of EVs on the road, there is a huge demand for EVs charging services. The Joint Venture Company will focus on the development and operation of charging stations to provide charging services to EV owners under the Group's managed communities. At the same time, it will expand its business in the third-party market with the aim of facilitating green mobility and create low-carbon communities. Such EV charging services are in line with the Group's business operation strategy, and will enhance and complement the value-added services of the Group through an innovative approach to collaboration on matters such as site development, operation, maintenance and ancillary services.

The terms of the Investment Agreement were negotiated after arm's length negotiations and on normal commercial terms. The Directors are of the view that the terms of the Investment Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Company's investment in the Joint Venture Company is more than 5% but less than 25%, the transactions contemplated under the Investment Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors;
“Chengdu Shimao Tiancheng”	成都世茂天成企業管理有限公司 (Chengdu Shimao Tiancheng Enterprise Management Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Company”	Shimao Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 873);
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EVs”	electric vehicles;
“Group”	the Company and its subsidiaries;
“Investment Agreement”	the investment agreement dated 31 October 2024 entered into between Chengdu Shimao Tiancheng and the Joint Venture Partner in relation to the formation and management of the Joint Venture Company;
“Joint Venture Company”	the joint venture company to be established pursuant to the terms of the Investment Agreement;
“Joint Venture Partner”	海南自在充新能源科技有限公司 (Hainan Zicai Charge New Energy Technology Co., Ltd.*), a limited liability company established in the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People's Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited; and
“%” per cent.

On behalf of the Board
Shimao Services Holdings Limited
Hui Sai Tan, Jason
Chairman

Hong Kong, 31 October 2024

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Hui Sai Tan, Jason (Chairman), Mr. Shao Liang (President) and Mr. Cao Shiyang; and three Independent Non-executive Directors, namely, Mr. Gu Yunchang, Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.

** For identification purpose only.*