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S-Enjoy Service Group Co., Limited

新城悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1755)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Joint Global Coordinators, Bookrunners and Placing Agents



On March 16, 2021, the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents agreed on a several (and not joint nor joint and several) basis to place up to 50,000,000 Placing Shares on a best efforts basis at a price of HK\$20.80 per Share. Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date, the maximum number of Placing Shares represent approximately 6.09% of the existing number of issued shares of the Company and approximately 5.74% of the number of issued shares of the Company as enlarged by the Placing.

Assuming all the Placing Shares are fully placed under the Placing Agreement, the Company intends to use the net proceeds from the Placing for business development or investment when opportunities arise, as well as for working capital and general purposes of the Group. As of the date of this announcement: (1) the Company has plans to invest in businesses or goals related to its core business, but has not yet determined any specific investment or acquisition targets; (2) the Group has not entered into any agreements on such investments or acquisitions; and (3) there has not been a plan for the allocation of such net proceeds between possible investments or acquisitions and general working capital. The Company will make announcements on any such investments or acquisitions in accordance with the requirements of the Listing Rules where appropriate.

As the Placing Agents have the right to terminate the Placing Agreement in accordance with the termination events thereunder and completion of the Placing is subject to the fulfilment of certain condition, the Placing may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

PLACING AGREEMENT

Date: March 16, 2021

Parties: (1) the Company;
(2) Citigroup Global Markets Limited and CLSA Limited as joint global coordinators, bookrunners and collectively the Placing Agents.

To the best of the knowledge, information and belief of Directors having made all reasonable enquiries, the Placing Agents are independent of and not connected with the Company and the connected persons of the Company.

Number of Placing Shares

The maximum number of Placing Shares is 50,000,000, representing approximately 6.09% of the existing number of issued shares of the Company and approximately 5.74% of the number of issued shares as enlarged by the Placing assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date. Based on the par value of US\$0.01 per Share, the maximum aggregate nominal value of the Placing Shares is US\$500,000.

Placing Price

The Placing Price is HK\$20.80 per Share and represents:

- (i) a discount of approximately 12.42% to the closing price of HK\$23.75 per Share as quoted on the Stock Exchange on March 15, 2021, being the last full trading day immediately preceding the date of releasing this announcement; and
- (ii) a premium of approximately 0.14% to the average closing price of approximately HK\$20.77 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including March 15, 2021.

The net Placing Price (after deducting related costs and expenses to be borne by the Company) is approximately HK\$20.64 per Share.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents after taking into account the recent market price of the Shares and the current market conditions.

The Directors (including the independent non-executive Directors) consider the Placing Price to be fair and reasonable under the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares. The Placing Shares will rank *pari passu* in all respects with other existing Shares upon issuance.

Placees

The Placing Shares will be placed on a several (and not joint nor joint and several) basis, by the Placing Agents, on a best effort basis, to not less than six independent professional, institutional and/or other investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The placees to be procured by the Placing Agents are expected to be independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

General mandate to issue the Placing Shares

The Placing Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting held on June 18, 2020. Pursuant to such mandate, the Directors were granted authority to issue up to 163,620,000 new Shares, representing 20% of the number of issued Shares as at June 18, 2020.

Since the grant of the general mandate on June 18, 2020 and prior to the Placing, the Directors have not exercised their power to allot and issue any new Shares pursuant to such general mandate. Accordingly, the issue of the Placing Shares will fall within the limit of the general mandate and will not be subject to approval by the Shareholders.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares pursuant to the Placing Agreement).

If the above condition has not been satisfied at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date, the Placing Agents and the Company shall have no obligations or liabilities to each other under the Placing and neither the Placing Agents nor the Company shall have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement save for antecedent breaches.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

Termination Events

The completion of the Placing is subject to, amongst other things, the requirement that none of the following events and other events specified in the Placing Agreement shall have occurred prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agents have or are likely to have a material adverse effect on the financial position of the Company and/or the Group as a whole;
 - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agents are or would be materially adverse to the success of the Placing;
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agents are or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States;
 - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole, the Placing Shares or the Placing thereof;
 - (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the PRC, the United Kingdom or the United States of a national emergency or war;
 - (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

- (b) any breach of any of the representations, warranties and undertakings by the Company under the Placing Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agents) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (c) there is any such adverse change, or development involving a prospective adverse change, in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agents are materially adverse to the success of the Placing.

In the event the Placing Agents terminate the Placing Agreement, all obligations of the parties under the Placing Agreement will cease and determine and no party will have any claim against any other party save for any antecedent breach of any obligation under the Placing Agreement. **Shareholders and investors are therefore advised to exercise caution when dealing in securities of the Company.**

Completion of the Placing

The Placing will be completed on the Closing Date, i.e. March 23, 2021 (or such other date as the parties to the Placing Agreement may agree in writing).

As the Placing Agents have the right to terminate the Placing Agreement in accordance with the termination events thereunder and completion of the Placing is subject to the fulfilment of certain condition, the Placing may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

Undertakings

The Company has undertaken to the Placing Agents that for a period of 90 days from the Closing Date, it will not, save pursuant to the terms of the Share Option Scheme, without the prior written consent of the Placing Agents (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after completion of the Placing are and will be as follows (assuming there will be no other changes in the shareholding structure of the Company from the date of this announcement up to completion of the Placing and all the Placing Shares are fully placed):

<i>Shareholders</i>	As at the date of this announcement <i>(Note 5)</i>		Immediately after completion of the Placing <i>(Note 5)</i>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Wang Zhenhua and corporations controlled by him <i>(Note 1)</i>	600,000,000	73.09	600,000,000	68.89
Qi Xiaoming <i>(Note 2)</i>	2,080,000	0.25	2,080,000	0.24
Wu Qianqian <i>(Note 3)</i>	280,000	0.03	280,000	0.03
Lan Ziyong <i>(Note 4)</i>	150,000	0.02	150,000	0.02
The placees	0	0	50,000,000	5.74
Other public shareholders	218,460,000	26.61	218,460,000	25.08
Total	<u>820,970,000</u>	<u>100.00%</u>	<u>870,970,000</u>	<u>100.00%</u>

Note:

1. Mr. WANG Zhenhua is the founder of the Hua Sheng Trust, through which Chen Ting Sen (PTC) Limited held long positions in 600,000,000 Shares through its controlled corporations in its capacity as trustee.
2. On September 2, 2019, Mr. Qi Xiaoming, a Director, was granted 2,500,000 share options by the Company under the Share Option Scheme. On June 30, 2020, Mr. Qi was granted 1,000,000 award shares under the Share Award Scheme.
3. On September 2, 2019, Ms. Wu Qianqian, a Director, was granted 1,000,000 share options by the Company under the Share Option Scheme. On June 30, 2020, Ms. Wu was granted 250,000 award shares under the Share Award Scheme.
4. On September 2, 2019, Mr. Lan Ziyong, a Director, was granted 1,000,000 share options by the Company under the Share Option Scheme. On June 30, 2020, Mr. Lan was granted 120,000 award shares under the Share Award Scheme.
5. Assuming that other than the Placing Shares, no further Share is issued or repurchased by the Company, no share options is exercised under Share Option Scheme and no award shares is granted immediately before and up to completion of the Placing.

REASONS FOR THE PLACING

The Company is an experienced property management services provider in the PRC engaging in the provision of property management services, such as property and equipment maintenance, security services, cleaning services, gardening services, and public area maintenances.

The Directors believe that the Placing will provide a good opportunity to raise additional funds to strengthen the financial position, broaden the Shareholders' base and capital base of the Group to promote future development, and also increase the liquidity of the Shares. The Board considers the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agents, are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares are fully placed under the Placing Agreement, the gross proceeds from the Placing is expected to be approximately HK\$1,040 million and the net proceeds after deducting related costs and expenses to be borne by the Company is expected to be approximately HK\$1,032 million.

USE OF PROCEEDS

Assuming all the Placing Shares are fully placed under the Placing Agreement, the Company intends to use the net proceeds from the Placing for business development or investment when opportunities arise, as well as for working capital and general purposes of the Group. As of the date of this announcement: (1) the Company has plans to invest in businesses or goals related to its core business, but has not yet determined any specific investment or acquisition targets; (2) the Group has not entered into any agreements on such investments or acquisitions; and (3) there has not been a plan for the allocation of such net proceeds between possible investments or acquisitions and general working capital. The Company will make announcements on any such investments or acquisitions in accordance with the requirements of the Listing Rules where appropriate.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company has not conducted any equity fund raising activity.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Closing Date”	March 23, 2021, or such other date as the Company and the Placing Agent may agree in writing;

“Company”	S-Enjoy Service Group Co., Limited (新城悦服務集團有限公司), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Placing”	the placement of the Placing Shares to the placee(s) at the Placing Price pursuant to the Placing Agreement;
“Placing Agents”	Citigroup Global Markets Limited and CLSA Limited;
“Placing Agreement”	the Placing Agreement dated March 16, 2021 between the Company and the Placing Agents in respect of the Placing;
“Placing Price”	the placing price of HK\$20.80 per Share;
“Placing Shares”	50,000,000 new Shares;
“PRC”	The People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Taiwan and Macau Special Administrative Region;
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.01 each;
“Share Award Scheme”	means the share award scheme adopted by the Company on November 15, 2019;
“Share Option Scheme”	means the share option scheme adopted by the Company on October 20, 2018;
“Shareholder(s)”	the holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“substantial
shareholder(s)”

has the meaning ascribed to it in the Listing Rules; and

“%”

per cent.

On behalf of the Board
S-Enjoy Service Group Co., Limited
Qi Xiaoming
Chairman
Executive Director
Chief Executive Officer

PRC, March 16, 2021

As at the date of this announcement, the Board comprises Mr. Qi Xiaoming, Ms. Wu Qianqian and Mr. Lan Ziyong as executive Directors; Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Lu Zhongming as non-executive Directors; and Ms. Zhang Yan, Mr. Zhu Wei and Mr. Xu Xinmin as independent non-executive Directors.