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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 THE LAND IN SUZHOU, THE PRC  
AND  
CHANGE IN USE OF NET PROCEEDS  
FROM THE GLOBAL OFFERING**

**THE PROPOSED LAND ACQUISITION**

The Board announces that on 29 April 2024, the Company has submitted a bid for the proposed acquisition of the land use rights of the Land offered for sale by Suzhou Natural Resources and Planning Bureau through public tender, i.e. the Proposed Land Acquisition.

According to the requirements stipulated in the Public Tender Announcement, the successful bidder is required to enter into a completion confirmation and grant of land use rights contract with Suzhou Natural Resources and Planning Bureau in respect of the Proposed Land Acquisition within the relevant periods as stipulated in the Public Tender Announcement.

**The Public Tender**

The Company will undergo the process of public tender in the Online Transfer System in accordance with the regulations of Suzhou Natural Resources and Planning Bureau. Prospective bidders are subject to the qualification criterion as stipulated in the Public Tender Announcement and are required to pay a deposit of RMB10 million to Suzhou Natural Resources and Planning Bureau, which shall be applied to settle the final bid price for the Proposed Land Acquisition if successful, or otherwise refunded to the failed bidders without interest.

The Public Tender Announcement was published on the website of the Online Transfer System on 8 April 2024.

As at the date of this announcement, apart from the submission of the bid, the Company has not entered into any arrangement or contract with Suzhou Natural Resources and Planning Bureau. The Company will make further announcement in compliance with Chapter 14 of the Listing Rules upon entering into the grant of land use rights contract after becoming the successful bidder.

### **Bidding price**

The official initial price of the bid for the Proposed Land Acquisition is RMB49.57 million (tax exclusive). The Company will make further announcement as to the bidding price of the Company in compliance with Chapter 14 of the Listing Rules as and when appropriate. The Company will pay the bidding deposit in the amount of RMB10 million as required under the Public Tender Announcement after publication of this announcement.

### **The Land**

The Land is situated at North of Shishan Road and west of planned land, Shishan Business Innovation Zone, New and High-tech Zone, Suzhou, the PRC (中國蘇州市高新區獅山商務創新區獅山路北、規劃用地西) with a site area of 6,124.1 sq.m.. The Land is designated for commercial use for a term of grant of 40 years, with an overall plot ratio between 1.4 to 1.8.

### **SOURCE OF FUNDING**

The consideration for the Proposed Land Acquisition will be partly funded by the Net Proceeds and partly by the Group's internal resources.

### **REASONS FOR AND BENEFITS OF THE PROPOSED LAND ACQUISITION**

The Land is located at a prime location on Shishan Road, Shishan Business Innovation Zone, New and High-tech Zone, Suzhou, the PRC, adjacent to line 3 of Suzhou Metro, with convenient transportation, mature commercial facilities and abundant leisure resources in the vicinity, and is currently the only land parcel at auction on Shishan Road. The Company intends to develop the Land into office buildings, the size of which matches the Company's development needs for office space.

The Company's self-owned office space currently is located on Shishan Road in the central business district (CBD) of Suzhou New and High-tech Zone, with very limited office resources available for leasing. The Company foresees that land parcels on Shishan Road available for auction in the future with a similar size to the Land will be even more scarce. With the continuous expansion of business and growth in the number of employees, the Company's existing office space is no longer sufficient to meet its development needs. As a company deeply rooted in Suzhou New and High-tech Zone, by acquiring land and developing new office buildings in such area, the Company will be able to expand its property portfolio and improve its operational efficiency by pooling its resources and optimizing the use of space. In addition, office space expansion is also in line with the Company's long-term strategy, which will be conducive to attract more talents, cooperation partners and customers, and maintain the Company's competitive edge by providing a more

attractive working environment. The office buildings located in the core area of the CBD will enhance the Company's brand reputation, bring potential asset appreciation and create greater financial return for the Company and the Shareholders.

Thus, the Directors consider that the Proposed Land Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Due to the recent changes in the regulatory policies of the property market, which may have an impact on the investment costs of acquisition of office building in Hong Kong for own use and leasing, the Company has not yet identified any suitable properties in Hong Kong. Taking the aforementioned factors into consideration as a whole, the Board resolved to re-allocate HK\$52.9 million of the Net Proceeds allocated for the "Acquisition of office building in Hong Kong for own use and leasing" to fund the Proposed Land Acquisition.

## **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.

### **Suzhou Natural Resources and Planning Bureau**

Suzhou Natural Resources and Planning Bureau, a PRC government bureau, is the vendor of the Land and is responsible for the related work of the transfer of the Land, including information disclosure, data review, confirmation of transaction eligibility, and signing of the land use rights grant contract in respect of the sale of the Land.

## **LISTING RULES IMPLICATIONS**

Based on the official initial price of the bid for the Proposed Land Acquisition, one or more of the applicable percentage ratios in respect of the Proposed Land Acquisition will exceed 5% but all of which will be less than 25%. Accordingly, the Proposed Land Acquisition (if materialized) will at least constitute a discloseable transaction of the Company and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. If the Company successfully wins the bid for the Proposed Land Acquisition, the Company will issue further announcement based on the final bid price and re-comply with all applicable requirements under Chapter 14 of the Listing Rules.

## CHANGE IN USE OF NET PROCEEDS

Reference is made to the Prospectus. The total Net Proceeds raised by the Company from the Global Offering (taking into account of the net proceeds of HK\$8.78 million received from the partial exercise of the relevant over-allotment option), after deducting the underwriting commission and other expenses, amounted to approximately HK\$176.3 million.

Reference is also made to the announcement of the Company dated 27 April 2023, the Company adjusted the intended use and allocation of the Net Proceeds on 27 April 2023 (the “**First Change**”). After considering the reasons set out in paragraphs headed “Reasons for and Benefits of the Proposed Land Acquisition” in this announcement, the Board has resolved to re-allocate HK\$52.9 million of the Net Proceeds from the subcategories of “Acquisition of office building in Hong Kong for own use and leasing” to fund a new subcategory of “Acquisition of the land in the PRC” under the major category of “Acquisition”.

An analysis of the original and revised use of the Net Proceeds, as well as the expected timeline for full utilization is summarized as follows:

Major categories	Sub-categories	Planned use of Net Proceeds after the First Change <i>HK\$ million</i>	Percentage of total Net Proceeds %	Utilised or reserved Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised or unplanned Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds after the revised allocation <i>HK\$ million</i>	Expected timeline for full utilization*
Acquisition	Acquisitions of other property management companies and companies providing city services and property management services	52.9	30%	5.71	47.19	47.19	By 31 December 2024
	Acquisition of office building in Hong Kong for own use and leasing	52.9	30%	0	52.9	0	N/A
	Acquisition of the land in the PRC	Nil	0	Nil	Nil	52.9	By 31 December 2024
Strategic Investments	Investments in waste collection centers and companies providing operational and management services to waste collection centers	14.1	8.0	14.1	0	0	By 31 December 2024

Major categories	Sub-categories	Planned use of Net Proceeds after the First Change HK\$ million	Percentage of total Net Proceeds %	Utilised or reserved Net Proceeds as at the date of this announcement HK\$ million	Unutilised or unplanned Net Proceeds as at the date of this announcement HK\$ million	Unutilised Net Proceeds after the revised allocation HK\$ million	Expected timeline for full utilization*
Expansion and diversification of value-added services	Establishment of the Group's own brand "Suxin Leju (蘇新樂居)" and launch of apartment management and operational services for housing for talents	26.4	15.0	1.56	24.84	24.84	By 31 December 2024
Technological investment	Investments in the Group's Technologies and Intelligent Operations	7.1	4.0	6.11	0.99	0.99	By 31 December 2024
Talent Training and Retention		5.3	3.0	5.3	0	0	By 31 December 2024
Working capital and other general corporate purposes		17.6	10.0	17.6	0	0	By 31 December 2024
	<b>Total</b>	<b>176.3</b>		<b>50.38</b>	<b>125.92</b>	<b>125.92</b>	

*Note*

(1) The figures have been rounded up. Accordingly, the total amount of each category may not be equal to the apparent sum of the relevant sub-categories.

\* *The expected timeline for the usage of the remaining Net Proceeds is made based on the best estimate of the Group's future market conditions, which is subject to the current and future development of the market conditions.*

The Board confirms that there is no material change in the nature of business of the Group as set out in the Prospectus. The Board considers that the change in the use of Net Proceeds is in the best interest of the Company and the Shareholders as a whole and it would not have a material adverse effect on the existing business operations of the Group.

**As the Proposed Land 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:*

“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
“Global Offering”	has the meaning ascribed to it in the Prospectus
“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
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	land parcel no. Su Land 2024-WG-S03 (蘇地2024-WG-S0 3號) with a site area of 6,124.1 sq.m. located at New and High-Tech Zone, Suzhou, Jiangsu Province, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Proceeds”	the total net proceeds raised by the Company from the Global Offering which amounted to approximately HK\$176.3 million after deducting the underwriting commission and other expenses
“Online Transfer System”	蘇州國有建設用地使用權網上出讓系統 (Suzhou state-owned construction land use right online transfer system*)
“PRC”	the People’s Republic of China
“plot ratio”	the ratio of the gross floor area (excluding floor area below ground) of all buildings to their site area
“Proposed Land Acquisition”	the proposed acquisition of the land use rights of the Land through public tender from Suzhou Natural Resources and Planning Bureau

“Prospectus”	the prospectus of the Company dated 11 August 2022
“Public Tender Announcement”	the public tender announcement published on the website of the Online Transfer System on 8 April 2024 in respect of the Proposed Land Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metres
“Suzhou Natural Resources and Planning Bureau”	蘇州市自然資源和規劃局 (Suzhou Natural Resources and Planning Bureau*), a PRC government bureau
“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, 29 April 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Cui Xiaodong, Mr. Zhou Jun and Ms. Zhou Lijuan; the non-executive directors of the Company are Ms. Li Xin, Mr. Cao Bin and Mr. Zhang Jun; and the independent non-executive directors of the Company are Ms. Zhou Yun, Ms. Xin Zhu and Mr. Liu Xin.*