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**Wise Living Technology Co., Ltd**

**慧居科技股份有限公司**

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 2481)**

## **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

### **SUMMARY**

This announcement is made by the Company on a voluntary basis and not required specifically under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or the Listing Rules.

As stated in the prospectus of the Company dated 28 June 2023, the Company had won (through open bidding) the concession to provide the heat services in Baotou in Inner Mongolia Autonomous Region. The Board is pleased to announce that, on 19 September 2023, Wise Living Energy (Baotou), an indirect wholly-owned subsidiary of the Company, entered into the Concession Agreement with the Concession Grantor for Baotou Project, pursuant to which the Concession Grantor agreed to grant Wise Living Energy (Baotou) the exclusive concession right to provide heat services of steam supply for enterprises in the Concession Area during the concession period to meet their industrial steam needs. Baotou Project will adopt the BOT model, under which all heat services of steam supply related assets owned, in use and under construction at the time by Wise Living Energy (Baotou) shall be transferred to the Concession Grantor upon expiry of the term of the Concession Agreement, in the event that the concession right is not renewed.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, (a) the Concession Grantor, together with its ultimate beneficial owner, are third parties independent of the Company and its connected persons (as defined under the Listing Rules); and (b) neither the Directors nor the substantial shareholders (as defined under the Listing Rules) of the Company have any direct or indirect interest in the Concession Agreement.

## THE CONCESSION AGREEMENT

The key terms of the Concession Agreement are summarised below:

<b>Date</b>	19 September 2023
<b>Parties</b>	(1) Wise Living Energy (Baotou); and  (2) Concession Grantor
<b>Concession period</b>	19 September 2023 to 18 September 2052 (including a one-year construction period)
<b>Concession rights</b>	Wise Living Energy (Baotou) has the exclusive concession right to provide heat services of steam supply for enterprises in the Concession Area during the concession period to meet their industrial steam needs, which includes but not limited to the right to invest in and operate the heat services of steam supply project and the right to charge heat (steam) fees in accordance with the pricing mechanism of the Concession Agreement
<b>Ownership</b>	All heat services of steam supply facilities and pipelines invested, constructed and installed by Wise Living Energy (Baotou) are owned by Wise Living Energy (Baotou) during the concession period
<b>Management, repair and improvement</b>	During the term of the Concession Agreement, Wise Living Energy (Baotou) is responsible for managing, repairing and improving the heat services of steam supply facilities. Wise Living Energy (Baotou) is entitled to charge reasonable fee for the repair of heat services of steam supply facilities provided that such repair is due to the faults of the users
<b>Renewal</b>	If there is no material safety accident and Wise Living Energy (Baotou) fulfils its undertaking on heat services of steam supply quality during the concession period, Wise Living Energy (Baotou) shall have priority in re-obtaining the concession right under the same conditions

## **Transfer of assets**

All heat services of steam supply related assets owned, in use and under construction at the time by Wise Living Energy (Baotou) shall be transferred to the Concession Grantor upon expiry of the term of the Concession Agreement, in the event that the concession right is not renewed. The compensation payable to Wise Living Energy (Baotou) in respect of the transfer of heat services of steam supply related assets invested and owned by Wise Living Energy (Baotou) shall be determined by a third party asset valuation agency jointly appointed by Wise Living Energy (Baotou) and the government authority in charge of heat supply

## **INFORMATION ABOUT THE CONCESSION GRANTOR**

The Concession Grantor is an organisation which has been authorised by Tumote Youqi People's Government of Baotou City\* (包頭土默特右旗人民政府) to enter into the Concession Agreement. The Concession Grantor is primarily responsible for (a) formulating medium and long-term development plans and annual plans for the infrastructure construction and economic development in the Park and organising and implementing such plans after approval; (b) attracting investment and providing related coordination services; (c) investment project management; (d) the construction and management of the infrastructure and public utilities of the Park; and (e) the supervision and management of production safety, environment protection and finance work of the Park.

## **LISTING RULES IMPLICATION**

The Board confirms that the Concession Agreement is in the ordinary and usual course of business of the Company and is of revenue in nature. The entering into of the Concession Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor does it constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

“Baotou Project”	Baotou Tuyou New Industrial Park Chemical Concentration Zone of Inner Mongolia Autonomous Region Heat Services of Steam Supply Project* (內蒙古包頭土右新型工業園區化工集中區供熱(氣)項目), a project established pursuant to the Concession Agreement
“Board” or “Board of Directors”	the board of directors of the Company

“BOT”	Build — operate — transfer, a form of project delivery method which is usually for a large-scale infrastructure project, wherein a private enterprise receives a concession from the public sector
“Company”	Wise Living Technology Co., Ltd (慧居科技股份有限公司) (stock code: 2481), a company with limited liability established in the PRC on 3 September 2010 and converted into a joint stock company with limited liability on 29 December 2015
“Concession Agreement”	the concession agreement dated 19 September 2023 entered into between Wise Living Energy (Baotou) and the Concession Grantor for Baotou Project
“Concession Area”	Baotou Tuyou New Industrial Park Chemical Concentration Zone* (包頭土右新型工業園區化工集中區) and any new heat services of steam supply area requested or agreed to be added by the local government and/or the Park
“Concession Grantor”	Management Committee of Baotou Tuyou New Industrial Park of Inner Mongolia Autonomous Region* (內蒙古包頭土右新型工業園區管理委員會)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Park”	Baotou Tuyou New Industrial Park* (包頭土右新型工業園區)
“PRC”	the People’s Republic of China

“Wise Living Energy  
(Baotou)”

Wise Living Energy (Baotou) Company Limited\* (慧居能源(包頭)有限公司), a company with limited liability established in the PRC on 26 November 2020, an indirect wholly-owned subsidiary of the Company

By Order of the Board  
**Wise Living Technology Co., Ltd**  
**GENG Ming**  
*Chairman and Executive Director*

Hong Kong, 19 September 2023

*As at the date of this announcement, the Board comprises Mr. Geng Ming, Mr. Li Baoshan and Mr. Luo Wei as executive Directors, Mr. Miao Wenbin, Mr. Ma Fulin and Ms. Xu Lijie as non-executive Directors, and Mr. Cheung Ho Kong, Dr. Tse Hiu Tung, Sheldon and Dr. Zhu Qing as independent non-executive Directors.*

\* *For identification purpose only*