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慧居科技

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)

CONNECTED TRANSACTION PURCHASE OF MACHINERIES

THE SALES AND PURCHASE

On 13 February 2025, the Board approves the entry into three Sales and Purchase Agreements, pursuant to which the Seller and three Purchasers, all being indirect subsidiaries of the Company, entered into three Sales and Purchase Agreements on the same day, whereby the Seller agreed to sell, and the respective Purchaser agreed to purchase, specified units of energy-saving electromagnetic switch motors at the consideration of RMB3,000,000 per Agreement.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.81 of the Listing Rules, a series of connected transactions should be aggregated and treated as if they were one transaction if they were all entered within a 12-month period or were otherwise related. The three Sales and Purchase Agreements were entered into on the same day on 13 February 2025 and the consideration to be paid under each Agreement was RMB3,000,000. At the time of the making of the three Sales and Purchase Agreements, the highest applicable ratio exceeds 0.1% and is less than 5%, and the total aggregate consideration of RMB9,000,000 exceeds HK\$3,000,000. Therefore, the Transactions under the Sales and Purchase Agreements constitute a de minimis connected transaction according to Rule 14A.76 of the Listing Rules and is only subject to the notification and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

INTRODUCTION

On 13 February 2025, the Board approves the entry into three Sales and Purchase Agreements, pursuant to which the Seller and three Purchasers, all being indirect subsidiaries of the Company, entered into three Sales and Purchase Agreements on the same day, whereby the Seller agreed to sell, and the respective Purchaser agreed to purchase, specified units of energy-Saving electromagnetic switch motors at the consideration of RMB3,000,000 per Agreement. The details of the Sales and Purchase Agreements are set out below:

THE SALES AND PURCHASE AGREEMENTS

Hulunbuir Shuangliang Sales and Purchase Agreement

Date of the Sales of Purchase Agreements: 13 February 2025

Parties: (1) The Seller;
(2) Hulunbuir Shuangliang

Assets Purchased: (1) 50 units of model GPAC-35 energy-saving electromagnetic switch motors
(2) 50 units of model BPAC-30 energy-saving electromagnetic switch motors

Consideration per unit: (1) RMB30,000¹ per unit (including tax and freight, and value-added tax)
(2) RMB30,000¹ per unit (including tax and freight, and value-added tax)

Total Consideration: RMB3,000,000¹ (including tax and freight, and value-added tax)

Note 1: The consideration was determined at arm's length between the parties with reference to the prevailing market price of the Machineries.

Lanzhou Shuangliang Sales and Purchase Agreement

Date of the Sales of Purchase Agreements: 13 February 2025

Parties: (1) The Seller

(2) Lanzhou Shuangliang

Assets Purchased: (1) 50 units of model GPAC-35 energy-saving electromagnetic switch motors

(2) 50 units of model BPAC-30 energy-saving electromagnetic switch motors

Consideration per unit: (3) RMB30,000² per unit (including tax and freight, and value-added tax)

(4) RMB30,000² per unit (including tax and freight, and value-added tax)

Total Consideration: RMB3,000,000² (including tax and freight, and value-added tax)

Note 2: The consideration was determined at arm's length between the parties with reference to the prevailing market price of the Machineries.

Shuozhou Renewable Energy Sales and Purchase Agreement

Date of the Sales of Purchase Agreements: 13 February 2025

Parties: (1) The Seller;

(2) Shuozhou Renewable Energy

Goods Purchased: (1) 50 units of model GPAC-35 energy-saving electromagnetic switch motors

(2) 50 units of model BPAC-30 energy-saving electromagnetic switch motors

Consideration per unit: (5) RMB30,000³ per unit (including tax and freight, and value-added tax)

(6) RMB30,000³ per unit (including tax and freight, and value-added tax)

Total Consideration: RMB3,000,000³ (including tax and freight, and value-added tax)

Note 3: The consideration was determined at arm's length between the parties with reference to the prevailing market price of the Machineries.

Delivery Terms of each of the Sales and Purchase Agreements

The delivery time of the goods under each of the three Sales and Purchase Agreements is 35 days after the contract takes effect. The respective Purchaser shall be responsible for the storage and custody fees and interest of the goods caused by the buyer's delay in receiving the goods. The respective Purchaser shall pay the Seller one thousandth of the total price of the Agreement for storage and custody fees on a weekly basis.

Payment Terms of each of the Sales and Purchase Agreements

Within three days from the date of each of the three Sales and Purchase Agreements, the respective Purchaser shall pay 60% of the total consideration of the Agreement to the Seller as an advance payment. After all products are installed and debugged, the respective Purchaser shall pay 40% of the total consideration of the Agreement to the Seller. Prior to the payment of the remainder 40% of the total consideration of the Agreement by the respective Purchaser to the Seller, the Seller shall provide the respective Purchaser with a special VAT invoice (tax rate is 13%) of the same amount as the total settlement amount.

REASONS FOR ENTERING INTO SALES AND PURCHASE AGREEMENTS

The Group is principally engaged in the heat supply (including provision and distribution of heat and pipeline connection services), engineering construction services, design services and energy management services in the PRC.

The Machineries to be purchased are energy-saving devices used in heat exchange stations. Purchasing the Machineries will reduce the operating cost of the Group's business. In addition, the Machineries will enable the Group to better realise its goals of protecting the environment by reducing energy consumption and greenhouse gas emission per unit of heat energy produced, thereby furthering the Group's vision for achieving sustainable green heating in the long run.

The Directors, including the independent non-executive Directors, consider that the terms of the Transactions, which are determined at an arm's length basis between the parties to the Sales and Purchase Agreements, are negotiated on normal commercial terms and are fair and reasonable. The Directors further consider that entering into the Transactions are in the interest of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Seller is a limited company incorporated in the PRC and is principally engaged in the manufacturing of energy-saving motor products in the PRC. Mr. Miao, a controlling shareholder of our Company, is a direct controlling shareholder of the Seller.

The Purchasers are Hulunbuir Shuangliang, Lanzhou Shuangliang and Shuo Zhou Renewable Energy:

- (i) Hulunbuir Shuangliang is a limited company incorporated in the PRC and is principally engaged in the provision of heat services in the PRC. Hulunbuir Shuangliang is an indirect non wholly-owned subsidiary of the Company;
- (ii) Lanzhou Shuangliang is a limited company incorporated in the PRC and is principally engaged in the provision of heat services in the PRC. Lanzhou Shuangliang is an indirect non wholly-owned subsidiary of the Company; and
- (iii) Shuo Zhou Renewable Energy is a limited company incorporated in the PRC and is principally engaged in the provision of heat services in the PRC. Shuo Zhou Renewable Energy is an indirect non wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.81 of the Listing Rules, a series of connected transactions should be aggregated and treated as if they were one transaction if they were all entered within a 12-month period or were otherwise related. The three Sales and Purchase Agreements were entered into on the same day on 13 February 2025 and the consideration to be paid under each Agreement was RMB3,000,000. At the time of the making of the three Sales and Purchase Agreements, the highest applicable ratio exceeds 0.1% and is less than 5%, and the total aggregate consideration of RMB9,000,000 exceeds HK\$3,000,000. Therefore, the proposed transaction under the Sales and Purchase Agreements constitute a de minimis connected transaction according to Rule 14A.76 of the Listing Rules and is only subject to the notification and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

DEFINITIONS

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

“Agreement(s)”	each of the Sales and Purchase Agreements or all of them
“Board”	the board of directors of the Company
“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
“controlling shareholder”	as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hulunbuir Shuangliang”	Hulunbuir Shuangliang Energy System Co., Ltd. (呼倫貝爾雙良能源系統有限公司), a company incorporated in the PRC with limited liability, an indirect non wholly-owned subsidiary of the Company
“Hulunbuir Shuangliang Sales and Purchase Agreement”	the sale and purchase agreement dated 13 February 2025 entered into between the Seller and Hulunbuir Shuangliang

“Lanzhou Shuangliang”	Lanzhou New District Shuangliang Thermal Power Co., Ltd. (蘭州新區雙良熱力有限公司), a company incorporated in the PRC with limited liability, an indirect non wholly-owned subsidiary of the Company
“Lanzhou Shuangliang Sales and Purchase Agreement”	the sale and purchase agreement dated 13 February 2025 entered into between the Seller and Lanzhou Shuangliang
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Machineries”	the model GPAC-35 Energy-saving electromagnetic switch motors and BPAC-30 energy-saving electromagnetic switch motors
“Mr. Miao”	Mr. Miao Shuangda (繆雙大), a controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Purchaser(s)”	Hulunbuir Shuangliang, Lanzhou Shuangliang and Shuozhou Renewable Energy all together or any of them
“Sales and Purchase Agreement(s)”	the Hulunbuir Shuangliang Sales and Purchase Agreement, Lanzhou Shuangliang Sales and Purchase Agreement, and Shuozhou Renewable Energy Sales and Purchase Agreement all together or any of them
“Seller”	Jiangsu Shuangliang Bangji Electronics Co., Ltd. (江蘇雙良邦極電子有限公司), a company incorporated in the PRC with limited liability, whose controlling shareholder, Mr. Miao, is a controlling shareholder of the Company
“Shuozhou Renewable Energy”	Shuozhou City Renewable Energy Thermal Company Limited (朔州市再生能源熱力有限公司), a company incorporated in the PRC with limited liability, an indirect non wholly-owned subsidiary of the Company
“Shanxi Shuangliang Sales and Purchase Agreement”	the sale and purchase agreement dated 13 February 2025 entered into between the Seller and Shanxi Shuangliang

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Transactions”

the sales and transfer of the Machineries by the Seller to Hulunbuir Shuangliang, Lanzhou Shuangliang and Shuozhou Renewable Energy, respectively

By Order of the Board
Wise Living Technology Co., Ltd
LI Baoshan
Chairman and Executive Director

Hong Kong, 13 February 2025

As at the date of this announcement, the Board comprises 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.