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ROISERV 榮万家

Roiserv Lifestyle Services Co., Ltd.

榮萬家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: 2146)

**CONNECTED TRANSACTION
ACQUISITION OF 77% EQUITY INTEREST IN THE
TARGET COMPANY**

INTRODUCTION

The Board is pleased to announce that on 16 December 2022, the Company entered into the Agreement with Qinghuangdao Rongsheng for the sale and purchase of the Sale Equity, representing 77% registered capital of the Target Company for the consideration in the amount of RMB45,353,000, subject to the terms and conditions as set out in the Agreement.

LISTING RULES IMPLICATION

As at the date of this announcement, the Company is owned as to 62.64% by RiseSun Real Estate Development which is a controlling shareholder of the Company. Qianhuangdao Rongsheng is a subsidiary of RiseSun Real Estate Development, thus a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements and is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

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THE ACQUISITION

Principal terms of the Agreement are summarised as follows:

Date:

16 December 2022

Parties:

- (1) the Company as the purchaser; and
- (2) Qinghuangdao Rongsheng as the vendor.

Subject matter

Pursuant to the Agreement, Qinghuangdao Rongsheng has conditionally agreed to sell, and the Company has conditionally agreed to purchase, the Sale Equity, representing 77% registered capital of the Target Company.

Consideration

The consideration for the Sale Equity is RMB45,353,000 which was determined after arm's length negotiations between the Company and Qinghuangdao Rongsheng with reference to, among others (i) the appraised market value of the Target Company of RMB58,929,700 valued by an independent and qualified valuer China Appraisal Associates using market approach as at 31 August 2022; (ii) the Sale Equity, representing 77% registered capital of the Target Company; and (iii) the reasons and benefits as more particularized in the paragraph headed "reasons for and benefits of the acquisition" below.

The consideration shall be payable in cash through wire transfer to the designated bank account within 30 days upon the signing of the Agreement. The Consideration will be financed by the internal sources of the Group.

Completion

Qinghuangdao Rongsheng shall cooperate with the Company to complete the industrial and commercial registration for the Sale Equity within 60 days upon the signing of the Agreement.

Upon completion of Acquisition, the Target Company will be owned as to 77% by the Company and 23% by Qinghuangdao Rongsheng. It shall become a subsidiary of the Company and the financial results of which will be consolidated into the financial statements of the Group.

INFORMATION ABOUT THE PARTIES AND THE TARGET COMPANY

The Company

The Company is a limited liability company established in the PRC, the issued H Shares of which are listed on the Stock Exchange. The Group is principally engaged in property management services, value-added services to non-property owners and community value-added services.

RiseSun Real Estate Development and Qinghuangdao Rongsheng

Qianhuangdao Rongsheng is principally engaged in the property development, which is indirectly owned as to 85% by RiseSun Real Estate Development and 15% by Rongsheng Architectural Design Co., Ltd.* (榮盛建築設計有限公司), which is a wholly owned subsidiary of RiseSun Real Estate Development.

RiseSun Real Estate Development is a joint stock company with limited liability established in the PRC, and is listed on the Shenzhen Stock Exchange (stock code: 002146). RiseSun Real Estate Development is one of the controlling shareholders of the Company and is principally engaged in real estate development and management.

The Target Company

The Target Company is a company established by Qinghuangdao Rongsheng in the PRC with limited liability, with a total investment cost of RMB500,000. The Target Company is principally engaged in the provision of property operation and management services to properties of holiday resort. As at 31 October 2022, the gross floor area under the management of the Target Company is approximately 1,194,351 square metres.

Set out below is the financial information of the Target Company for the two years ended 31 December 2021 and the eight months ended 31 August 2022 respectively:

	For the year ended		For the eight
	31 December		months ended
	2020	2021	31 August
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>
Net profit/(loss) before tax	506,348	(2,098,184)	6,760,096
Net profit/(loss) after tax	576,744	(3,188,316)	5,052,144

The audited total asset of the Target Company was approximately RMB82,125,127 as at 31 August 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been providing property management services, value-added services to non-property owners and community value-added services. It is always the expansion plan of the Group to acquire companies which are principally engaged in property management services. The Target Company is principally engaged in the provision of property operation and management services to properties of holiday resort. The Acquisition will diversify the type of properties to be managed by the Group and integrate the services team and experience of the Target Company for the services to properties of holiday resorts into the Group which will in turn improves the capacity of the Group of providing property management services. Meanwhile, the Target Company has established a broad customers base for its property management service. Most of its customers are Independent Third Party property owners. For the year ended 31 December 2021, the majority of the revenue of the Target Company is derived from the Independent Third Parties. Through combing the broad customers base of the Target Company and the abundant internal resources of the Group and its well recognized brand name, the Acquisition will create synergy effect to the business of the Group and generate stable revenue and cash flow to the Group which will in turn bring more value to the Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable in the interests of the Company and the Shareholders as a whole, but are not entered in the ordinary and usual course of business of the Group due to the nature of the Acquisition.

BOARD APPROVAL

Mr. Geng is the ultimate controlling shareholder of the Company and the brother of Mr. Geng Jianfu, the executive Director and chairman of the Board. Mr. Geng Jianfu is therefore considered to have a material interest in the transaction contemplated under the Agreement. Mr. Geng Jianfu has abstained from voting on the relevant resolution at the Board meeting convened to consider, among other things, the Agreement. Save as disclosed above, no Director has a material interest in the Agreement or has abstained from voting on the relevant Board resolution approving the Agreement.

LISTING RULES IMPLICATION

As at the date of this announcement, the Company is owned as to 62.64% by RiseSun Real Estate Development which is a controlling shareholder of the Company. Qianghuangdao Rongsheng is a subsidiary of RiseSun Real Estate Development, thus a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is only subject to the reporting and announcement requirements and is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Equity
“Agreement”	the agreement dated 16 December 2022 entered into between the Company and Qianghuangdao Rongsheng in relation to the sale and purchase of the Sale Equity
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司), a joint stock company established in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2146)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	the ordinary share(s) in the capital of the Company issued by the Company in PRC, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB by PRC natural persons or entities consolidated under the relevant laws of the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Independent Third Party(ies)”	a person, or in the case of a company, the company of its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
“Mr. Geng”	Mr. Geng Jianming (耿建明), the ultimate controlling shareholder of the Company and the brother of Mr. Geng Jianfu, the chairman of the Board and executive Director
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Qianghuangdao Rongsheng”	Qinhuangdao Rongsheng Real Estate Development Co., Ltd.* (秦皇島榮盛房地產開發有限公司), a company with limited liability established in the PRC
“RiseSun Holdings”	RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司), a joint stock company with limited liability established in the PRC on 31 July 2002 and one of the controlling shareholders of the Company
“RiseSun Real Estate Development”	RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) (formerly known as RiseSun Property Development Co., Ltd.* (廊坊開發區榮盛房地產開發有限公司)), a limited liability company established in the PRC on 30 December 1996, listed on the Shenzhen Stock Exchange (stock code: 002146) and one of the controlling shareholders of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	the 77% registered capital of the Target Company, which is wholly owned by Qianghuangdao Rongsheng as at the date of this announcement
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and the H Shares
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” Shengxing Living Service (Hebei) Co., Ltd.* (盛行旅居生活服務(河北)有限公司), a company incorporated in the PRC with limited liability

“%” per cent

By order of the Board
Roiserv Lifestyle Services Co., Ltd.
Geng Jianfu
Chairman and Executive Director

Langfang, the PRC, 18 December 2022

As at the date of this announcement, the Board comprises Mr. Geng Jianfu, Ms. Liu Hongxia and Mr. Xiao Tianchi as executive Directors; Mr. Zhang Wenge as non-executive Director; and Mr. Jin Wenhui, Mr. Xu Shaohong and Mr. Tang Yishu as independent non-executive Directors.

* *For identification only*