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If you have sold or transferred all your shares in Roiserv Lifestyle Services Co., Ltd., you should at once hand this circular, together with the accompanying proxy form, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS;
(2) PROPOSED CHANGE OF SUPERVISOR;
AND
(3) NOTICE OF THE EGM

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders**



Capitalised terms used on this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A notice convening the EGM to be held at 4:00 p.m. on Thursday, March 2, 2023 at RiseSun Development Mansion, 81 Xiangyun Road, Economic and Technological Development Area, Langfang, Hebei Province, the PRC is set out on pages 47 to 49 of this circular. A proxy form for use at the EGM is enclosed in this circular. Such proxy form for use at the EGM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.roiserv.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

February 10, 2023

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DEFINITIONS

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

“2023 Master Property Management Services Agreement”	the new master property management services agreement entered into between the Company and RiseSun Real Estate Development on February 1, 2023 to renew the Master Property Management Services Agreement for a term commencing from January 1, 2023 and ending on December 31, 2025 (both days inclusive)
“2023 Master Small-Scale Engineering and Related Consultancy Services Agreement”	the new master small-scale engineering and related consultancy services agreement entered into between the Company and RiseSun Real Estate Development on February 1, 2023 to renew the Master Small-Scale Engineering and Related Consultancy Services Agreement for a term commencing from January 1, 2023 and ending on December 31, 2025 (both days inclusive)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associates”	has the meaning ascribed to it under the Listing Rules
“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
“Director(s)”	the director(s) 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
“Domestic Shareholder(s)”	the holder(s) of Domestic Share(s)

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at 4:00 p.m. on March 2, 2023 at RiseSun Development Mansion, 81 Xiangyun Road, Economic and Technological Development Area, Langfang, Hebei Province, the PRC to consider and, if appropriate, to approve the resolutions contained in the notice of the EGM which is set out on pages 47 to 49 of this circular, or any adjournment thereof
“GFA”	gross floor area
“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
“H Shareholder(s)”	the holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the proposed annual caps) and the transactions contemplated respectively thereunder
“Independent Financial Adviser”	Dongxing Securities (Hong Kong) Company Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the proposed annual caps) and the transactions contemplated respectively thereunder

DEFINITIONS

“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM for the relevant resolutions with respect to the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons
“Latest Practicable Date”	February 6, 2023, being the latest practicable date for ascertaining certain information in this circular
“Listing”	the listing of the Company on the Main Board of the Stock Exchange on January 15, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Property Management Services Agreement”	the master property management services agreement entered into between the Company and RiseSun Real Estate Development on December 18, 2020 in respect of the provision of the Property Management Services by the Group to RiseSun Real Estate Development Group
“Master Small-Scale Engineering and Related Consultancy Services Agreement”	the master small-scale engineering and related consultancy services agreement entered into between the Company and RiseSun Real Estate Development on December 18, 2020 in respect of the provision of the Small-Scale Engineering and Related Consultancy Services by the Group to RiseSun Real Estate Development Group
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“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
“Mr. Wang”	Mr. Wang Jiandong (王建東)

DEFINITIONS

“Mr. Yang”	Mr. Yang Xi (楊熙)
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Property Management Services”	as defined under the paragraph headed “2023 Master Property Management Services Agreement” of the “Letter from the Board” in this circular
“Proposed Appointment of Mr. Yang”	the proposed appointment of Mr. Yang as the external Supervisor in replacement of Mr. Wang
“Prospectus”	the prospectus of the Company dated December 31, 2020 issued in respect of the Listing
“RiseSun Construction Engineering”	榮盛建設工程有限公司 (RiseSun Construction Engineering Co., Ltd.*), a limited liability company established in the PRC
“RiseSun Holdings”	榮盛控股股份有限公司 (RiseSun Holdings Co., Ltd.*), a joint stock company with limited liability established in the PRC on July 31, 2002 and one of the controlling shareholders of the Company
“RiseSun Real Estate Development”	榮盛房地產發展股份有限公司 (RiseSun Real Estate Development Co., Ltd.*) (formerly known as 廊坊開發區榮盛房地產開發有限公司 (RiseSun Property Development Co., Ltd.*)), a joint stock company with limited liability established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002146)
“RiseSun Real Estate Development Group”	RiseSun Real Estate Development, its subsidiaries and associates, which exclude the Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“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
“Shareholder(s)”	holder(s) of Share(s)
“Shengxing Living Service”	Shengxing Living Service (Hebei) Co., Ltd.* (盛行旅居生活服務(河北)有限公司), a company acquired by the Company on December 16, 2022, details of which are disclosed in the announcement of the Company dated December 18, 2022
“Small-Scale Engineering and Related Consultancy Services”	as defined under the paragraph headed “2023 Master Small-Scale Engineering and Related Consultancy Services Agreement” of the “Letter from the Board” in this circular
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

* *for identification only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Geng Jianfu (*Chairman*)

Mr. Xiao Tianchi

Ms. Liu Hongxia

Non-executive Director:

Mr. Zhang Wenge

Independent Non-executive Directors:

Mr. Jin Wenhui

Mr. Tang Yishu

Mr. Xu Shaohong

Headquarters in the PRC:

81 Xiangyun Road
Economic and Technological
Development Area
Langfang, Hebei Province, PRC

Registered office in the PRC:

East Daxiang Line and
North Heyuan Road
(Within Xianghe Xiandai
Water Industry Co., Ltd.*
(香河現代水業有限公司))

Jiangxintun Town
Xianghe County
Langfang
Hebei Province
PRC

*Principal place of business
in Hong Kong:*

40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

February 10, 2023

To the Shareholders

Dear Sir/Madam,

(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS;

(2) PROPOSED CHANGE OF SUPERVISOR;

AND

(3) NOTICE OF THE EGM

1. INTRODUCTION

References are made to (i) the first announcement of the Company dated February 1, 2023 in relation to, among others, the 2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement; and (ii) the second announcement of the Company dated February 1, 2023 in relation to, among others, the Proposed Appointment of Mr. Yang.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) further details of the 2023 Master Property Management Services Agreement, the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the Proposed Appointment of Mr. Yang; (ii) a letter of recommendation from the Independent Board Committee in relation to the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions contemplated respectively thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

2. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to the Master Property Management Services Agreement and the Master Small-Scale Engineering and Related Consultancy Services Agreement as disclosed under the section headed “Connected Transactions” in the Prospectus.

As each of the Master Property Management Services Agreement and the Master Small-Scale Engineering and Related Consultancy Services Agreement expired on December 31, 2022 and the Group expected to carry on the respective transactions contemplated thereunder upon the expiry, on February 1, 2023, the Company (for itself and on behalf of its subsidiaries) entered into the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement with RiseSun Real Estate Development.

2023 Master Property Management Services Agreement

Principal terms of the 2023 Master Property Management Services Agreement are set out below:

Date:	February 1, 2023
Parties:	(1) the Company; and (2) RiseSun Real Estate Development
Scope of service:	The Group agreed to provide property management services to RiseSun Real Estate Development Group, including but not limited to (i) preliminary planning and design consultancy services; (ii) display units and on-site sales office management services; (iii) property pre-delivery services, including but not limited to property inspection and cleaning before delivery and pre-delivery preparation; and (iv) properties owned or used by RiseSun Real Estate Development Group, such as unsold property units, car parking lots and commercial properties (the “ Property Management Services ”).

LETTER FROM THE BOARD

Term: Commencing from January 1, 2023 and ending on December 31, 2025 (both days inclusive).

Pricing and other terms: The parties to the 2023 Master Property Management Services Agreement have also agreed as follows:

- (1) the parties shall enter into specific agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2023 Master Property Management Services Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and
- (2) the specific agreements shall conform with the principles and provisions set out in the 2023 Master Property Management Services Agreement.

Historical transactions under the Master Property Management Services Agreement:	For the year ended December 31, 2020 <i>RMB'000</i>	For the year ended December 31, 2021 <i>RMB'000</i>	For the year ended December 31, 2022 <i>RMB'000</i>
Historical transaction amounts	429,339.0 ^(Note 1)	445,519.1 ^(Note 1)	265,488.0 ^(Note 2)
Existing cap	397,500.0	446,600.0	499,600.0
Utilization	108.0%	99.8%	53.1%

Note 1: As the Company had not been listed on the Stock Exchange until January 15, 2021, transactions for the year ended December 31, 2020 and the period from January 1, 2021 to January 14, 2021 were not considered as continuing connected transactions under the Listing Rules. However, for illustrative purpose, the above data includes all transactions conducted between the Group and RiseSun Real Estate Development Group in the relevant periods regardless of the listing status of the Company.

Note 2: The transaction amount was extracted from the management account of the Group and has not been audited. The Company confirms that such transaction amount has not exceeded the existing annual cap for the year ended December 31, 2022 as contemplated under the Master Property Management Services Agreement.

Annual caps: It is proposed that the annual caps for the transactions contemplated under the 2023 Master Property Management Services Agreement for the three years ending December 31, 2025 are as follows:

	For the year ending December 31, 2023 <i>RMB</i> <i>(in millions)</i>	For the year ending December 31, 2024 <i>RMB</i> <i>(in millions)</i>	For the year ending December 31, 2025 <i>RMB</i> <i>(in millions)</i>
Annual cap	250	210	190

LETTER FROM THE BOARD

In arriving at the above annual caps, the Directors have considered the following factors:

- (i) the historical transaction amounts under the Master Property Management Services Agreement of approximately RMB429,339,000, RMB445,519,100, and RMB265,488,000 for each of the three years ended December 31, 2022 respectively;
- (ii) the estimated revenue to be recognized for the 358 existing contracts of projects developed by RiseSun Real Estate Development Group with a total contracted GFA of approximately 70.21 million sq.m. as at October 31, 2022;
- (iii) the estimated new properties to be delivered by RiseSun Real Estate Development Group for which the Property Management Services will be required taking into account the capacity of the Group for the three years ending December 31, 2025;
- (iv) in respect of the unsold property units, commercial properties and car parking lots management services, the estimated total GFA of the property (including GFA to be managed by the Group after the acquisition of Shengxing Living Service) and the number of car parking lots to be managed by the Group for the three years ending December 31, 2025, being approximately 3.30 million sq.m. and 78,000 respectively, having considered the business plan of RiseSun Real Estate Development Group;
- (v) in respect of the preliminary planning and design consultancy services, the estimated total GFA of projects to be developed by RiseSun Real Estate Development Group of approximately 5 million sq.m., 2.6 million sq.m. and 1.3 million sq.m. for each of the three years ending December 31, 2025, respectively, based on the development and delivery plans of RiseSun Real Estate Development Group;
- (vi) in respect of pre-delivery services, the estimated total GFA of the property projects expected to be managed by the Group of approximately 5.3 million sq.m., 3.3 million sq.m. and 1.7 million sq.m., for each of the three years ending December 31, 2025, respectively; and
- (vii) the estimated prevailing market price for the Property Management Services.

LETTER FROM THE BOARD

The demand for the Property Management Services is driven by the annual property development and launching plan of RiseSun Real Estate Development Group. However, due to the macro factors and uncertainties in the property development market, RiseSun Real Estate Development Group has adjusted their development and launching plans and tightened the expansion of sales offices in the coming three years and therefore the demand for Property Management Services is expected to be decreased under the term of the 2023 Master Property Management Services Agreement as compared with that under the term of the Master Property Management Services Agreement, especially the demand for preliminary planning and design consultancy services and the pre-delivery services.

Based on the reasons mentioned above and having considered the calculation of the proposed annual caps under the 2023 Master Property Management Services Agreement is in line with the tightened property development and launching plans of RiseSun Real Estate Development Group, the Company is of the view that the proposed annual caps under the 2023 Master Property Management Services Agreement are fair and reasonable.

Pricing Policy

The fees to be charged for the Property Management Services will be determined after arm's length negotiations and taking into consideration (i) the size, nature, location and positioning of the properties; (ii) the anticipated operational costs (including labor costs, material costs and administrative costs); (iii) fees for similar services and similar types of projects in the market; and (iv) prices charged by the Group for providing comparable services to Independent Third Parties. The service fees for the provision of Property Management Services to properties owned or used by RiseSun Real Estate Development Group are charged mainly based on the total GFA of properties under the Group's management and the service fee per square meter, which shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable) or lower than the standard fees to be charged from Independent Third Parties.

As at the Latest Practicable Date, and to the best knowledge, understanding and belief of the Directors, property management services for the properties owned or used by RiseSun Real Estate Development Group in certain cities may be subject to government-prescribed prices or guiding prices promulgated by the PRC government authorities, primarily the Department of Housing and Urban-Rural Development and its relevant local authority, and the scope and applicability of such government-prescribed prices or guiding price standards may be disclosed on the relevant website of such authority which may vary in different cities and be updated from time to time.

LETTER FROM THE BOARD

Reasons and Benefits of Entering into the 2023 Master Property Management Services Agreement

The provision of the Property Management Services is one of the Group's principal businesses. Having considered that: (i) the Group would be able to generate income from the provision of the Property Management Services under the 2023 Master Property Management Services Agreement; and (ii) the terms under the 2023 Master Property Management Services Agreement are no less favorable to the Group than the terms offered to Independent Third Party customers, the Directors are of the view that the entering into of the 2023 Master Property Management Services Agreement, the transactions contemplated thereunder and the terms of the transactions under the 2023 Master Property Management Services Agreement (including the proposed annual caps) are fair and reasonable, the transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

Principal terms of the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are set out below:

- Date:** February 1, 2023
- Parties:** (1) the Company; and
(2) RiseSun Real Estate Development
- Scope of service:** The Group agreed to provide small-scale engineering and related consultancy services to RiseSun Real Estate Development Group, including but not limited to (i) installing security systems before the delivery of the properties; (ii) erecting and dismantling outer fencing for construction sites; (iii) providing preliminary planning and design consultancy services in relation to small-scale engineering in the initial design, construction and post-delivery stages; (iv) construction site drainage services; (v) signboard production and installation; (vi) soft decoration services before the delivery of the properties; and (vii) after-sales repair services (the "**Small-Scale Engineering and Related Consultancy Services**").
- Term:** Commencing from January 1, 2023 and ending on December 31, 2025 (both days inclusive).

LETTER FROM THE BOARD

Pricing and other terms: The parties to the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement have also agreed as follows:

- (1) the parties shall enter into specific agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and
- (2) the specific agreements shall conform with the principles and provisions set out in the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

Historical transactions under the Master Small-Scale Engineering and Related Consultancy Services Agreement:	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical transaction amounts	314,753.5 ^(Note 1)	351,354.2 ^(Note 1)	328,977.0 ^(Note 2)
Existing cap	310,000.0	359,700.0	417,000.0
Utilization	101.5%	97.7%	78.9%

Note 1: As the Company had not been listed on the Stock Exchange until January 15, 2021, transactions for the year ended December 31, 2020 and the period from January 1, 2021 to January 14, 2021 were therefore not considered as continuing connected transactions under the Listing Rules. However, for illustrative purpose, the above data includes all transactions conducted between the Group and RiseSun Real Estate Development Group in the relevant years regardless of the listing status of the Company.

Note 2: The transaction amount was extracted from the management account of the Group and has not been audited. The Company confirms that such transaction amount has not exceeded the existing annual cap for the year ended December 31, 2022 as contemplated under the Master Small-Scale Engineering and Related Consultancy Services Agreement.

Annual cap: It is proposed that the annual caps for the transactions contemplated under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement for the three years ending December 31, 2025 are as follows:

	For the year ending December 31, 2023	For the year ending December 31, 2024	For the year ending December 31, 2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(in millions)</i>	<i>(in millions)</i>	<i>(in millions)</i>
Annual caps	460	460	460

LETTER FROM THE BOARD

In arriving at the above annual caps, the Directors have considered the following factors:

- (i) the historical transaction amounts under the Master Small-Scale Engineering and Related Consultancy Services Agreement of approximately RMB314,753,500, RMB351,354,200, and RMB328,977,000 for the three years ended December 31, 2022 respectively;
- (ii) the estimated revenue to be recognized in relation to the Small-Scale Engineering and Related Consultancy Services provided by the Group under the 333 existing contracts as at October 31, 2022;
- (iii) the estimated number and total GFA of projects to be developed by RiseSun Real Estate Development Group required for the relevant Small-Scale Engineering and Related Consultancy Services based on the business plans of RiseSun Real Estate Development Group for the three years ending December 31, 2025;
- (iv) the estimated number of the property units developed by RiseSun Real Estate Development Group, which will engage the Group for the soft decoration services before the delivery of the properties, being approximately 74,000, 112,000 and 98,000 for each of the three years ending December 31, 2025, respectively; and
- (v) the estimated prevailing market price for the Small-Scale Engineering and Related Consultancy Services.

The increase in the proposed annual caps under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement as compared with the annual caps under the Master Small-Scale Engineering and Related Consultancy Services Agreement is attributable to the additional service scope of “soft decoration services before the delivery of the properties”. The estimated number of the property units developed by RiseSun Real Estate Development Group, which will engage the Group for the soft decoration services before the delivery of the properties, are approximately 74,000, 112,000 and 98,000 for each of the three years ending December 31, 2025, respectively. Based on the reasons listed above, the Company is of the view that the increase of proposed annual caps under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement is fair and reasonable.

LETTER FROM THE BOARD

Pricing Policy

The fees to be charged for the Small-Scale Engineering and Related Consultancy Services will be determined after arm's length negotiations and taking into consideration (i) the anticipated operational costs (including labor costs and material costs); (ii) the size and location of the properties; and (iii) fees for similar services and similar types of projects in the market. The fees for the provision of Small-Scale Engineering and Related Consultancy Services are calculated based on the total number of projects which require Small-Scale Engineering and Related Consultancy Services by the Group and the average service fee per project, taking into account the location, nature and total GFA of the projects.

Reasons and Benefits of Entering into the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

The provision of the Small-Scale Engineering and Related Consultancy Services is one of the Group's principal businesses. Having considered that: (i) the Group would be able to generate income from the provision of the Small-Scale Engineering and Related Consultancy Services under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement; and (ii) the terms under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are no less favorable to the Group than the terms offered to Independent Third Party customers, the Directors are of the view that the entering into of the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement, the transactions contemplated thereunder and the terms of the transactions under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the proposed annual caps) are fair and reasonable, the transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Internal Control

2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

The Group will make reference to its general pricing policy, which consistently apply to both Independent Third Parties and connected persons of the Company. Before entering into an individual specific agreement, the relevant member of the Group shall obtain at least two other contemporaneous transactions entered into by the Group for the provision of the Property Management Services or the Small-Scale Engineering and Related Consultancy Services to ensure that the fees to be charged under the 2023 Master Property Management Services Agreement or the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are in line with the prevailing market price and are no less favorable to the Group than those available to Independent Third Parties. The individual agreement together with the relevant supporting documents will be submitted to board affairs department for approval.

LETTER FROM THE BOARD

For all continuing connected transactions under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement:

- (i) the relevant personnel and management from the business department of the Group will conduct regular checks and assess whether the transactions contemplated under each of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are conducted in accordance with their terms and will also regularly review whether the fees charged by the Group are fair and reasonable and in accordance with the aforesaid pricing policy;
- (ii) the finance department will monitor the actual transaction amounts and monthly reports will be made by the management team in relation to the aggregate transaction amounts and utilization rates of the annual caps to ensure that the annual caps under each of the relevant agreements will not be exceeded. In addition, where a threshold of 85% of the utilization rate is reached, the finance department will alert the management team to consider revising the annual caps in accordance with the relevant requirements of the Listing Rules;
- (iii) the external auditors of the Company will conduct an annual review on the continuing connected transactions in accordance with the Listing Rules;
- (iv) the audit committee of the Company will review the transactions under each of the relevant agreements and recommend any proposals to improve the internal control measures; and
- (v) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on each of the relevant agreements.

Having considered the aforementioned internal control measures, the Directors consider that the internal control mechanism is effective to ensure that the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

LETTER FROM THE BOARD

Board Approval

As at the Latest Practicable Date, RiseSun Real Estate Development was owned as to 12.88% by Mr. Geng, who is the brother of Mr. Geng Jianfu, an executive Director and the chairman of the Board. Mr. Geng Jianfu is therefore considered to have a material interest in the transactions contemplated under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement. Mr. Geng Jianfu has abstained from voting on the relevant resolutions at the Board meeting convened to consider, among other things, the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

Save as disclosed above, no Director has a material interest in the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement or has abstained from voting on the relevant Board resolution approving the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

Listing Rules Implications

As at the Latest Practicable Date, the Company is owned as to 62.64% by RiseSun Real Estate Development. As such, RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed annual caps under each of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement is more than 5%, the respective agreements and the transactions contemplated thereunder (including the proposed annual caps) are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Information about the Company and the Group

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 the provision of property management services, community value-added services and value-added services to non-property owners in the PRC.

LETTER FROM THE BOARD

Information about 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.

3. EGM AND PROXY ARRANGEMENT

A notice convening the EGM containing the resolution to be proposed at the EGM is set out on pages 47 to 49 of this circular. Proxy forms for use at the EGM are also enclosed in this circular.

As at the Latest Practicable Date, RiseSun Real Estate Development, holding 235,527,000 Shares, representing approximately 62.64% of the issued share capital of the Company, shall abstain from voting at the EGM on the resolutions in relation to the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions respectively contemplated thereunder. Apart from the above, none of the other Shareholders has a material interest in the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions contemplated respectively thereunder and is required to abstain from voting on the relevant resolutions at the EGM.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon and return it by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). For H Shareholders, the proxy form should be returned to the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. For Domestic Shareholders, the proxy form should be returned to the Company's headquarters in the PRC at 81 Xiangyun Road, Economic and Technological Development Area, Langfang, Hebei Province, the PRC. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) if they so wish.

4. PROPOSED CHANGE OF SUPERVISOR

The Board announced on February 1, 2023 that Mr. Wang has tendered his resignation as the external Supervisor as he would like to devote more time to other personal business with effect from the date on which the appointment of a new Supervisor in replacement of Mr. Wang becomes effective.

LETTER FROM THE BOARD

Mr. Wang confirmed that he has no disagreement with the Board and the Supervisory Committee, and there were no other matters relating to his resignation that need to be brought to the attention of the Shareholders and the Stock Exchange.

The Board expresses its gratitude to Mr. Wang for his contribution to the development of the Company during his tenure as the Supervisor.

According to the recommendation of the Nomination Committee, Mr. Yang has been nominated as a candidate for external Supervisor in replacement of Mr. Wang. The proposed appointment of Mr. Yang as an external Supervisor is subject to the Shareholders' approval at the EGM.

The biographical details of Mr. Yang are set out as follows:

Mr. Yang Xi, aged 43, has 21 years of working experience in media and research of real estate and property industry. From July 2004 to February 2008, Mr. Yang worked at SINA.com Technology (China) Co. Ltd. (新浪網技術(中國)有限公司), an online media company, where he served as editor-in-chief, mainly responsible for managing the operation of the real estate channel. From February 2008 to January 2015, he worked at Beijing Yisheng Leju Information Services Ltd. (北京怡生樂居信息服務有限公司), a real estate online to offline service provider and a company listed on the New York Stock Exchange (stock code: LEJU), where he served as editor-in-chief mainly responsible for publication editing of the websites. From January 2015 to February 2019, he worked at Shanghai Weimi Business Information Consulting Co., Ltd. (上海帷米商務信息諮詢有限公司), a company primarily engaged in business information consulting, where he served as the chief operating officer mainly responsible for operation and management of the company. Since February 2019, he has been working at Beijing Zhongwuyanxie Information Technology Co., Ltd. (北京中物研協信息科技有限公司), a company primarily engaged in information technology, where he serves as the legal representative, a director and manager, mainly responsible for the management of the company. Mr. Yang has been appointed as an independent non-executive director of Dexin Services Group Limited (stock code: 02215) since January 2021.

Mr. Yang obtained a bachelor's degree of arts from Beijing Technology and Business University (北京工商大學) in the PRC in June 2001. Mr. Yang has been serving as the deputy secretary general of China Property Management Institute (中國物業管理協會) since July 2019.

The term of office of Mr. Yang as an external Supervisor will commence upon the approval of his appointment by the Shareholders at the EGM and expire on the date of conclusion of the term of office of the first session of the Supervisory Committee. Subject to the approval of his appointment as an external Supervisor by the Shareholders at the EGM, the Company will enter into a service contract with Mr. Yang. Mr. Yang will be entitled to a Supervisor's fee of RMB60,000 per annum (before tax), which is determined with reference to his duty and responsibility within the Company, the Company's remuneration policy and the prevailing market conditions.

LETTER FROM THE BOARD

Mr. Yang confirmed that, as at the Latest Practicable Date, save as disclosed above, (i) he did not have any relationship with any Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company; (ii) he did not hold any position in the Company or any of its subsidiaries; (iii) he did not, nor did he in the past three years, hold any directorship in other public companies whose securities are listed on any securities market in Hong Kong or overseas; and (iv) he did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Yang confirmed that, as at the Latest Practicable Date, save as disclosed above, there were no other matters relating to his proposed appointment that need to be brought to the attention of the Shareholders or the Stock Exchange and there was no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

5. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will exercise his power under the articles of association of the Company to demand a poll in relation to all the proposed resolutions at the EGM. The Company will announce the result of the poll of the EGM in the manner prescribed under the Listing Rules.

6. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, February 27, 2023 to Thursday, March 2, 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, unregistered holders of H Shares should ensure that all transfer documents together with the relevant share certificates are lodged with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, no later than 4:30 p.m. on Friday, February 24, 2023.

7. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the proposed annual caps contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the proposed annual caps contemplated thereunder, as well as the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice. Having taken into account the respective terms of

LETTER FROM THE BOARD

the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement, the information provided in the letter from the Board and the letter from the Independent Financial Adviser, the Independent Board Committee considers that (i) the terms thereunder (including the proposed annual caps) are fair and reasonable; and (ii) the transactions contemplated thereunder (including the proposed annual caps) are conducted on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to approve the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions contemplated thereunder (including the proposed annual caps for those transactions) at the EGM as set out in the notice of the EGM.

The Board considers that the Proposed Appointment of Mr. Yang is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to approve the Proposed Appointment of Mr. Yang at the EGM as set out in the notice of the EGM.

8. ADDITIONAL INFORMATION

Your attention is drawn to additional information set out in Appendix I to the circular.

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



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)

February 10, 2023

To the Independent Shareholders

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated February 10, 2023 (the “**Circular**”) which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and to advise you in respect of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions contemplated thereunder and the proposed annual caps under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement, details of which are set out in the “Letter from the Board” on pages 6 to 20 of the Circular. Dongxing Securities (Hong Kong) Company Limited has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from Independent Financial Adviser” as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser as set out in their letter of advice, we are of the view that (a) the terms of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (b) the transactions contemplated under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the proposed annual caps) are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions for approving the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions and the proposed annual caps contemplated thereunder at the EGM.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Yours faithfully,
For and on behalf of the Independent Board Committee of
Roiserv Lifestyle Services Co., Ltd.

Mr. Jin Wenhui
Independent
non-executive Director

Mr. Xu Shaohong
Independent
non-executive Director

Mr. Tang Yishu
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Dongxing Securities (Hong Kong) Company Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the respective transactions contemplated thereunder and the respective caps, which was prepared for the purpose of inclusion in this Circular.



**DONGXING SECURITIES (HONG
KONG) COMPANY LIMITED**

7503B-04, 75/F
International Commerce Centre
1 Austin Road West
Kowloon

February 10, 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (the “**Service Agreements**”) entered between the Group and RiseSun Real Estate Development (the “**Continuing Connected Transactions**”). Details of the Continuing Connected Transactions and their respective annual caps for each of the three years ending December 31, 2025 (the “**Proposed Annual Caps**”) are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated February 10, 2023 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As stated in the Letter from the Board, as at the Latest Practicable Date, the Company is owned as to 62.64% by RiseSun Real Estate Development. As such, RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Service Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the Proposed Annual Caps under each of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement is more than 5%, the Service Agreements and the Continuing Connected Transactions contemplated thereunder (including the Proposed Annual Caps) are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.36 of the Hong Kong Listing Rules, any Shareholder who has a material interest in the Agreements shall abstain from voting to approve the Service Agreements at the EGM. As at the date of this Circular, 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 Continuing Connected Transactions. Mr. Geng Jianfu has abstained from voting on the relevant resolutions at the Board meeting convened to consider, among other things, the Service Agreements.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Jin Wenhui, Mr. Xu Shaohong and Mr. Tang Yishu, has been established to advise the Independent Shareholders in respect of the terms of the Agreements and the transactions contemplated thereunder and the Caps. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

INDEPENDENCE

During the past two years, there was no engagement between the Group and us other than the current appointment in relation to the Continuing Connected Transactions. As at the Latest Practicable Date, we did not have any relationships or interests in the Company or RiseSun Real Estate Development that could reasonably be regarded as relevant to our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates, and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are independent in accordance with Rule 13.84 of the Listing Rules and eligible to give independent advice in respect of the Continuing Connected Transactions.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders on (i) whether the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are agreed on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable; (ii) whether the 2023 Master Property Management Services Agreement and the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (including the Proposed Annual Caps) are in the interests of the Company and the Independent Shareholders as a whole; and (iii) how the Independent Shareholders should vote in favour of the relevant ordinary resolution to be proposed at the EGM.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have discussed with the management of the Group and reviewed, *inter alia*, the relevant information contained (i) the Service Agreements and the supporting documents; (ii) the Company's announcements; (iii) the Company's annual reports for the years ended December 31, 2019, 2020 and 2021; (iv) the Company's interim report for the six months ended June 30, 2022; (v) the Company's prospectus. We have also relied on the information and facts contained in the Circular and all information provided to us by the Company, the information, facts and representations expressed by the management of the Group and the research results performed by us. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have reviewed the sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation in compliance with Rule 13.80 of the Listing Rules. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RiseSun Real Estate Development. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have taken into account the principal factors and reasons set out below:

1. Information on the parties

The Group

The Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners in the PRC. As disclosed in the interim report for the six months ended June 30, 2022, the Group is a comprehensive property management service provider with a strategic service network across China. To facilitate the management of the property management network, the Group divides its geographic coverage into four major regions in the PRC, namely Bohai Economic Rim, Yangtze River Delta region, Greater Bay Area and surrounding regions, and Central and Western China.

As of June 30, 2022, it had a total of 365 property management projects under management with an aggregate GFA under management of approximately 71.4 million sq.m., covering 48 cities across 17 provinces, municipalities and autonomous regions in China. As of June 30, 2022, the Group was contracted to manage 470 property management projects with an aggregate contracted GFA of 97.0 million sq.m., covering 65 cities across 17 provinces, municipalities and autonomous regions in China.

Set out below is a summary of segment revenue information of the Group for the three years ended December 31, 2021 and the six months ended June 30, 2021 and 2022 as extracted from the Company's annual reports and interim report.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ended December 31,			For the six months	
	2019	2020	2021	ended June 30,	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2021	2022
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Property management services	703,218	897,662	1,081,530	516,900	598,813
Value-added services to non-property owners	431,769	714,325	1,047,769	607,547	315,485
Community value-added services	147,052	195,171	355,673	166,372	149,276
Other services	–	13,683	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,282,039	1,820,841	2,484,972	1,290,819	1,063,574
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Property management services

According to the Company's annual reports and interim report, the Group has a diversified portfolio of properties under management comprising (i) residential properties and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments, and (b) public and other properties, such as industry parks, schools, factories and parks.

As discussed with the Company, the revenue of the Group's property management services increased by approximately 27.7% from RMB703.2 million for the year ended December 31, 2019 ("FY2019") to RMB897.7 million for the year ended December 31, 2020 ("FY2020"), which was primarily driven by the Group's business expansion, of which the GFA under management increased by approximately 18.7% from 50.3 million sq.m. as of FY2019 to 59.7 million sq.m. as of FY2020.

The revenue further increased by approximately 20.5% from approximately RMB897.7 million for FY2020 to approximately RMB1,081.5 million for the year ended December 31, 2021 ("FY2021"), which was primarily driven by the Group's business expansion, of which the GFA under management increased by approximately 13.7% from 59.7 million sq.m. as of FY2020 to 67.9 million sq.m. as of FY2021.

Revenue from property management services increased by approximately 15.8% from RMB516.9 million for the six months ended June 30, 2021 ("1H2021") to RMB598.8 million for the six months ended June 30, 2022 ("1H2022"), which was primarily driven by the increase of the GFA under management due to the Group's business expansion, of which the GFA under management increased by approximately 13.7% from approximately 62.8 million sq.m. as of 1H2021 to approximately 71.4 million sq.m. as of 1H2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Value-added services to non-property owners

As discussed with the Company, the Group offers a comprehensive range of value-added services to non-property owners, primarily property developers. These services primarily comprise (i) property engineering services; (ii) sales assistance services; and (iii) other services which primarily include preliminary planning and design consultancy services, property delivery services and aftersales services.

As discussed with the Company, the revenue of the Group's value-added services to non-property owners increased by approximately 65.4% from RMB431.8 million for FY2019 to RMB714.3 million for FY2020, which was primarily driven by the increase in number of projects for which the Group provided services and the optimization of the charging standards for the value-added services to non-property owners.

The revenue further increased by approximately 46.7% from approximately RMB714.3 million for the year ended FY2020 to approximately RMB1,047.8 million for the year ended FY2021, which was primarily driven by the increase in number of projects for which the Group provided services and the optimization of the charging standards for the value-added services to non-property owners.

The revenue decreased approximately 48.1% from approximately RMB607.5 million for 1H2021 to approximately RMB315.4 million for 1H2022, which was mainly due to a significant decrease in income from businesses such as pre-intermediary service, household acceptance, project maintenance and others, as a result of the sharp decrease in the overall completed area and construction area of the property developers in 2022.

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.

2. Reasons and benefits for entering into the Service Agreements

(i) 2023 Master Property Management Services Agreement

According to the 2023 Master Property Management Services Agreement, the Group agreed to provide property management services to RiseSun Real Estate Development Group, including but not limited to (i) preliminary planning and design consultancy services; (ii) display units and on-site sales office management services; (iii) property pre-delivery services, including but not limited to property inspection and cleaning before delivery and pre-delivery preparation; and (iv) properties owned or used by RiseSun Real Estate Development Group, such as unsold property units, car parking lots and commercial properties ("**Property Management Services**").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2According to the annual reports of FY2020 and FY2021 and interim report of 1H2022, revenue generated under the segment of property management services has increased from RMB703.2 million for FY2019 to RMB1,081.5 million for FY2021, representing a CAGR growth of approximately 24.0%. The segment is considered to be the most important business segment of the Group, contributing approximately 54.9%, 49.3%, 43.5% and 56.3% of the total revenue of the Group for FY2019, FY2020, FY2021 and 1H2022. According to the Company's annual reports of FY2020 and FY2021 and interim report of 1H2022, over approximately 96% of the segment revenue is related to the provision of Property Management Services to properties independently developed by RiseSun Real Estate Development Group and properties jointly developed by RiseSun Real Estate Development Group and other property developers in which RiseSun Real Estate Development Group holds controlling interests.

The historical aggregate amount of service fees of Property Management Services received from RiseSun Real Estate Development Group and percentage of the total revenue of the similar business of the Group for the three years ended December 31, 2022 (the "Relevant Period") are as follows:

	For the year ended December 31, 2020 RMB'000	For the year ended December 31, 2021 RMB'000	For the year ended December 31, 2022 RMB'000
Historical amounts	429,339	445,519	265,488 ^(note)
As a percentage of the total revenue of the corresponding segment of the Group (%)	47.8%	41.2%	21.5%

Note: The transaction amount is from the management account of the Group and has not been audited. The Company confirms that such transaction amounts has not exceeded the existing annual cap for the year ended 31 December 2022 as contemplated under the Master Property Management Services Agreement.

The percentage of the total revenue of the similar business of the Group decreased to 23.4% mainly due to the combine effects of the decrease in revenue of Property Management Services due to slowing down the pace of development plan of projects developed by RiseSun Real Estate Development Group and the increase in revenue of property management service provided to other Independent Third Parties.

Given the property management service segment is a material segment of the Group and its heavy reliance on RiseSun Real Estate Development Group, we concurred with the Company's view that it is beneficial for Group to enter into the 2023 Master Property Management Services Agreement and to generate revenue from providing Property Management Services thereof.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

According to the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement, the Group agreed to provide small-scale engineering and related consultancy services to RiseSun Real Estate Development Group, including but not limited to (i) installing security systems before the delivery of the properties, (ii) erecting and dismantling outer fencing for construction sites, (iii) providing preliminary planning and design consultancy services in relation to small-scale engineering in the initial design, construction and post-delivery stages, (iv) construction site drainage services, (v) signboard production and installation, (vi) providing soft decoration service, and (vii) after-sales repair services (the “**Small-Scale Engineering and Related Consultancy Services**”).

According to the annual reports of FY2020 and FY2021 and interim report of 1H2022, revenue generated under the segment of value-added services to non-property owners has increased from RMB431.8 million for FY2019 to RMB1,047.8 million for FY2021, representing a CAGR growth of approximately 55.8%. The segment is considered to be the fastest growing business segment of the Group, contributing approximately 33.7%, 39.2%, 42.2% and 29.7% of the total revenue of the Group for FY2019, FY2020, FY2021 and 1H2022.

The historical aggregate amount of service fees of Small-Scale Engineering and Related Consultancy Services received from RiseSun Real Estate Development Group and percentage of the total revenue of the similar business of the Group for the three years ended December 31, 2022 (the “Relevant Period”) are as follows:

	For the year ended December 31, 2020 RMB'000	For the year ended December 31, 2021 RMB'000	For the year ended December 31, 2022 RMB'000
Historical amounts	314,753	351,354	328,977 ^(note)
As a percentage of the total revenue of the corresponding segment of the Group (%)	44.1%	33.5%	50.5%

Note: The transaction amount is from the management account of the Group and has not been audited. The Company confirms that such transaction amounts has not exceeded the existing annual cap for the year ended 31 December 2022 as contemplated under the Master Small-Scale Engineering and Related Consultancy Services Agreement.

Provided the material contribution of revenue generated from providing Small-Scale Engineering and Related Consultancy Services to RiseSun Real Estate Development Group, we concurred with the Company’s view that it is beneficial for Group to enter into the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and to generate revenue from providing Small-Scale Engineering and Related Consultancy Services thereof.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered above, in particular, (i) the principal business of the Group; (ii) the significance of revenue generated from providing the Services to RiseSun Real Estate Development Group; (iii) the reasons and benefits of entering into Service Agreements; and (iv) the Continuing Connected Transactions are in line with the development strategy of the Group, we concur with the Directors' view that the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

3. Principal terms of the Service Agreements

(i) 2023 Master Property Management Services Agreement

Principal terms are set out below:

Date: February 1, 2023

Parties: (1) the Company; and
(2) RiseSun Real Estate Development

Term: Commencing from January 1, 2023 or the upon obtaining the Independent Shareholders' approval at the EGM (whichever is later) and ending on December 31, 2025 (both days inclusive).

Pricing and other terms: The parties to the 2023 Master Property Management Services Agreement have also agreed as follows:

- (1) the parties shall enter into specific agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2023 Master Property Management Services Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and
- (2) the specific agreements shall conform with the principles and provisions set out in the 2023 Master Property Management Services Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

Principal terms are set out below:

Date: February 1, 2023

Parties: (1) the Company; and
(2) RiseSun Real Estate Development

Term: Commencing from January 1, 2023 or the upon obtaining the Independent Shareholders' approval at the EGM (whichever is later) and ending on December 31, 2025 (both days inclusive).

Pricing and other terms: The parties to the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement have also agreed as follows:

(1) the parties shall enter into specific agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and

(2) the specific agreements shall conform with the principles and provisions set out in the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

4. Assessment on the principal terms of the Service Agreements

(i) 2023 Master Property Management Services Agreement

In assessing the fairness and reasonableness of the terms in the 2023 Master Property Management Services Agreement, we have obtained and reviewed both the Master Property Management Services Agreement and the 2023 Master Property Management Services Agreement and we notice that the principal terms of the two agreements are substantially the same. Waiver on the strict compliance with the Listing Rule requirements was obtained for the transaction contemplated under Master Property Management Services Agreement as disclosed in the Company's prospectus.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have enquired the management and understand that the fees to be charged for the Property Management Services under the 2023 Master Property Management Services Agreement by making reference to the general pricing policy of the Group and shall take into account factors such as, (i) the size, nature, location and positioning of the properties; (ii) the anticipated operational costs (including labor costs, material costs and administrative costs); (iii) fees for similar services and similar types of projects in the market; (iv) government prescribed prices or guiding prices promulgated by the PRC government primarily the Department of Housing and Urban Rural Development and its relevant local authority which are disclosed, if available, on the relevant authority's website and may vary in different cities; and (v) prices charged by the Group for providing comparable services to Independent Third Parties. The fees for the provision of Property Management Services to properties owned or used by RiseSun Real Estate Development Group are charged mainly based on the total GFA of properties under the Group's management and the service fee per square meter, which shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable) or lower than the standard fees to be charged from Independent Third Parties. Such pricing basis is equally applicable to all of the Group's customers, regardless of their relationship with the Group and it also adheres to the general pricing policy of the Group.

We have also selected and reviewed agreements and supporting documents of 8 transactions entered into between the Group with other Independent Third Party customers ("**Property Management Services Comparable Transactions**") in past two years and ten months. We considered the selected transactions are fair and representative samples, given (a) they have been randomly selected; (b) they had covered majority of Property Management Services under the 2023 Master Property Management Services Agreement; and (c) they have comparable project scales, locations of managed properties and property management services being provided by the Group to RiseSun Real Estate Development. We note that the fee payable by RiseSun Real Estate Development were on normal commercial terms and no less favorable compared to the fee payable by the Independent Third Party customers.

In view of the above and having also considered (i) the terms of the 2023 Master Property Management Services Agreement are substantially the same as the Master Property Management Services Agreement; and (ii) the fees charged to RiseSun Real Estate Development are not less favorable to the Group than those charged to the Independent Third Party customers for comparable properties with similar scope of services provided by the Group, we consider the terms of the 2023 Master Property Management Services Agreement are on normal commercial terms and are fair and reasonable as far as the Company and the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

In assessing the fairness and reasonableness of the terms in the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement, we have obtained and reviewed both the Master Small-Scale Engineering and Related Consultancy Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and we notice that the principal terms of the two agreements are substantially the same. Waiver on the strict compliance with the Listing Rule requirements was obtained for the transaction contemplated under Master Small-Scale Engineering and Related Consultancy Services Agreement as disclosed in the Company's prospectus.

We have enquired the management and understand that the fees to be charged for the Service Scope under the Renewed Master Small-Scale Engineering and Related Consultancy Services Agreement by making reference to the general pricing policy of the Group and shall take into account factors such as, (i) the anticipated operational costs (including labor costs and material costs); (ii) the size and location of the properties; and (iii) fees for similar services and similar types of projects in the market. The fees for the provision of Small-Scale Engineering and Related Consultancy Services are calculated based on the total number of projects which require Small-Scale Engineering and Related Consultancy Services by the Group and the average service fee per project, taking into account the location, nature and total GFA of the projects. Such pricing basis is equally applicable to all of the Group's customers, regardless of their relationship with the Group and it also adheres to the general pricing policy of the Group.

We have also selected 4 transactions entered between the Group and RiseSun Real Estate Development, as well as reviewed respective quotations or tender documents obtained by RiseSun Real Estate Development from other Independent Third Party ("**Small-Scale Engineering and Related Consultancy Services Comparable Transactions**") and compared the terms and price in the respective quotations or tender documents with the contracts of the Group entered into with RiseSun Real Estate Development, which is considered to be a fair and representative sample given (a) they have been randomly selected; (b) they had covered majority of Small-Scale Engineering and Related Consultancy Services under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement; and (c) each contract of the Group having comparable quotations or tender documents of the Independent Third Party obtained by RiseSun Real Estate Development with the identical project scales, locations of the services being provided by the Group. We note that the fee payable by RiseSun Real Estate Development for the same scope of services were on normal commercial terms and no less favorable compared to the fee proposed by the Independent Third Party.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the above and having also considered (i) the terms of the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are substantially the same as the Master Small-Scale Engineering and Related Consultancy Services Agreement; and (ii) the fees charged to RiseSun Real Estate Development are comparable to the fees proposed by the Independent Third Parties for the services provided by the Group, we consider the terms of the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are on normal commercial terms and are fair and reasonable as far as the Company and the Independent Shareholders are concerned.

5. Historical Transaction Amount and Proposed Annual Caps

(i) 2023 Master Property Management Services Agreement

Historical transaction amount and utilization of existing cap

The historical aggregate sales amount received by the Group for the three years ended December 31, 2022 (the “Relevant Period”) are as follows:

	For the year ended December 31, 2020 RMB'000	For the year ended December 31, 2021 RMB'000	For the year ended December 31, 2022 RMB'000
Historical transaction amounts	429,339.0	445,519.1 ^(note 2)	265,488 ^(note 3)
Existing cap	397,500.0	446,600.0	499,600.0
Utilization	108.0% ^(note 1)	99.8%	53.1%

Note 1: As the Company has not been listed on the Stock Exchange until January 15, 2021, transactions for the year ended December 31, 2020 are therefore not considered as continuing connected transactions under the Listing Rules.

Note 2: The amount includes transactions conducted between January 1 to January 14, 2021 amounting to RMB16.9 million, when the Company was not listed and transactions therefore are not considered as continuing connected transactions.

Note 3: The transaction amount is from the management account of the Group and has not been audited. The Company confirms that such transaction amounts has not exceeded the existing annual cap for the year ended 31 December 2022 as contemplated under the Master Property Management Services Agreement.

The decreasing trend in utilization of annual cap of the Property Management Services for the year ended December 31, 2022 is mainly due to the impact of the overall weakened real estate market and the Covid-19 pandemic, which slow down the pace of development plan of projects developed by RiseSun Real Estate Development Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed Annual Caps and our analysis and works performed on the Proposed Annual Caps

The Annual Caps for the transactions contemplated under the Renewed 2023 Master Property Management Services Agreement for the three years ending December 31, 2025 are as follows:

	For the year ending December 31,		
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(in millions)</i>	<i>(in millions)</i>	<i>(in millions)</i>
Proposed Annual Caps	250	210	190

As set out in the Board Letter, the proposed Annual Caps are determined with reference to:

- (i) the historical transaction amounts under the Master Property Management Services Agreement of RMB429.3 million, RMB445.5 million, and RMB265.5 million for the three years ended December 31, 2022, respectively;
- (ii) the estimated revenue to be recognized for the 358 existing contracts of projects developed by RiseSun Real Estate Development Group with a total contracted GFA of approximately 70.21 million sq.m. as at October 31, 2022;
- (iii) estimated new properties to be delivered by RiseSun Real Estate Development Group for which the Property Management Services will be required taking into account the capacity of the Group for the three years ending December 31, 2025;
- (iv) in respect of the unsold property units, commercial properties and car parking lots management services, the estimated total GFA of the property (including GFA to be managed by the Group after the acquisition of Shengxing Living Service) and the number of car parking lots to be managed by the Group for each of the three years ending December 31, 2025, being approximately 3.30 million sq.m. and 78,000 respectively, having considered the business plan of RiseSun Real Estate Development Group;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (v) in respect of the preliminary planning and design consultant services, the estimated total GFA of projects to be developed by RiseSun Real Estate Development Group of approximately 5 million sq.m., 2.6 million sq.m. and 1.3 million sq.m. for the three years ending December 31, 2025 based on the development and delivery plans of RiseSun Real Estate Development Group;
- (vi) in respect of pre-delivery services, the estimated total GFA of the property projects expected to be managed by the Group of 5.3 million sq.m. 3.3 million sq.m. and 1.7 million sq.m., for the three years ending December 31, 2025; and
- (vii) estimated prevailing market price for the Property Management Services.

It is noted that the Proposed Annual Cap for the Master Property Management Services Agreement for the year ending December 31, 2023 represents a decrease of 50.0% compared to the existing cap under the Master Property Management Services Agreement for the year ending December 31, 2022. The Proposed Annual Caps for the Master Property Management Services Agreement for the year ending December 31, 2024 and 2025 represents a decrease of 16.0% and 9.5% respectively. As discussed with the Company, the demand for the Company's Property Management Services is driven by the annual property development and launching plan of RiseSun Real Estate Development Group. However, due to the macro factors and uncertainties in the property development market, RiseSun Real Estate Development Group has adjusted their development and launching plans and tightened the expansion of sales offices in the coming three years and therefore less Property Management Services in particular, the preliminary planning and design consultancy services and property pre-delivery services is expected to be procured.

To further assess the fairness and reasonableness, we have reviewed historical and forecasts of transactions amount prepared by the Company in relation to derive the Proposed Annual Caps of Master Property Management Services Agreement for the three years ending December 31, 2025. We have reviewed and discussed with the Company, among others, the GFA of the unsold property units and car parking lots, demand of property management services for commercial property unit and the fee charged, the calculation is in line with the tightened property development and launching plans abovementioned. We have also discussed and understood from the Management that RiseSun Holdings Group intends to and the Group will continue to provide services for the three years ending December 31, 2025. As such, we concurred with the Company's basis of calculation in deriving the Proposed Annual Caps in relation to the 2023 Master Property Management Services Agreement.

Having reviewed the above determination basis of the Proposed Annual Caps, we consider that the estimation of the Proposed Annual Caps is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *2023 Master Small-Scale Engineering and Related Consultancy Services Agreement*

Historical transaction amount and utilization of existing cap

The historical aggregate sales amount received by the Group for the three years ended December 31, 2022 (the “Relevant Period”) are as follows:

	For the year ended December 31, 2020 RMB'000	For the year ended December 31, 2021 RMB'000	For the year ended December 31, 2022 RMB'000
Historical transaction amounts	314,753.5	351,354.2 ^(note 2)	328,977 ^(note 3)
Existing cap	310,000.0	359,700.0	417,000.0
Utilization	101.5% ^(note 1)	97.7%	78.9%

Note 1: As the Company has not been listed on the Stock Exchange until January 15, 2021, transactions for the year ended December 31, 2020 are therefore not considered as continuing connected transactions under the Listing Rules.

Note 2: The amount includes transaction conducted between January 1 to January 14, 2021 amounting to RMB20.7 million, when the Company was not listed and transactions therefore are not considered as continuing connected transactions.

Note 3: The transaction amount is from the management account of the Group and has not been audited. The Company confirms that such transaction amounts has not exceeded the existing annual cap for the year ended 31 December 2022 as contemplated under the Master Small-Scale Engineering and Related Consultancy Services Agreement.

The decreasing trend in utilization of annual cap of the Small-Scale Engineering and Related Consultancy Services for the year ended December 31, 2022 is mainly due to the impact of the overall weakened real estate market and the Covid-19 pandemic, which slow down the pace of development plan of projects developed by RiseSun Real Estate Development Group.

Proposed Annual Caps and our analysis and works performed on the Proposed Annual Caps

The Annual Caps for the transactions contemplated under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement for the three years ending December 31, 2025 are as follows:

	For the year ended December 31, 2023 RMB (in millions)	For the year ended December 31, 2024 RMB (in millions)	For the year ended December 31, 2025 RMB (in millions)
Annual Caps	460	460	460

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Board Letter, the proposed Annual Caps are determined with reference to:

- (i) the historical transaction amounts under the Master Small-Scale Engineering and Related Consultancy Services Agreement of RMB314.8 million, RMB351.4 million, and RMB329.0 million for the three years ended December 31, 2022, respectively;
- (ii) the estimated revenue to be recognized in relation to the Small-Scale Engineering and Related Consultancy Services provided by the Group under the 333 existing contracts as at October 31, 2022;
- (iii) the estimated number and total GFA of projects to be developed by RiseSun Real Estate Development Group required for the relevant Small-Scale Engineering and Related Consultancy Services based on the business plans of RiseSun Real Estate Development Group for the three years ending December 31, 2025;
- (iv) the estimated number of the property units developed by RiseSun Real Estate Development Group, which will engage the Group for the soft decoration service before the delivery of the properties, being approximately 74,000, 112,000 and 98,000 for the three years ending December 31, 2025; and
- (v) estimated prevailing market price for the Small-Scale Engineering and Related Consultancy Services.

It is noted that the Proposed Annual Cap for the Master Small-Scale Engineering and Related Consultancy Services Agreement for the year ending December 31, 2023 represents a decrease of 13.7% compared to the existing cap under the Master Small-Scale Engineering and Related Consultancy Services Agreement for the year ending December 31, 2022. The Proposed Annual Caps for the Master Small-Scale Engineering and Related Consultancy Services Agreement for the year ending December 31, 2024 and 2025 represents a decrease of 2.8% and 11.4% respectively.

As discussed with the Company, the demand for the Company's Small-Scale Engineering and Related Consultancy Services is driven by the annual property development plan of RiseSun Real Estate Development Group. Attributable to the additional service of soft decoration service provided by the Group to RiseSun Real Estate Development Group which the estimated number of property units are approximately 74,000, 112,000 and 98,000 for the three years ending 31 December 2025 and therefore more Small-Scale Engineering and Related Consultancy Services is expected to be procured.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To further assess the fairness and reasonableness, we have reviewed historical and forecasts of transactions amount prepared by the Company in relation to derive the Proposed Annual Caps of Master Property Management Services Agreement for the three years ending December 31, 2025. We have reviewed and discussed with the Company the project list showing the signed and potential projects in relation to Small-Scale Engineering and Related Consultancy Services and the amount of revenue to be recognized for the three years ending December 31, 2025 based on the proposed contract and completion dates. We have also discussed with the Company the plans of potential property development projects of RiseSun Real Estate Development for the upcoming three years. We have also discussed and understood from the Management that RiseSun Holdings Group intends to and the Group will continue to provide services for the three years ending December 31, 2025. As such, we concurred with the Company's basis of calculation in deriving the Proposed Annual Caps in relation to the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

Having reviewed the above determination basis of the Proposed Annual Caps, we consider that the estimation of the Proposed Annual Caps is fair and reasonable.

6. The internal control measures on the Agreements

As a general principle, the price and terms of the Agreements will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Company conducts business with other independent service providers or transaction parties and shall be on terms which are no less favorable to the Company than those offered by other independent service providers or transaction parties.

The Group will make reference to the general pricing policy of the Group, which consistently apply to both independent third party and connected party. Before entering into an individual specific agreement, the relevant member of the Group shall obtain at least two other contemporaneous transactions entered into by the Group for the provision of the Property Management Services or the Small-Scale Engineering and Related Consultancy Services to ensure that the fees to be charged under the 2023 Master Property Management Services Agreement or the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are in line with the prevailing market price and are no less favorable to the Group than those available to Independent Third Parties. The individual agreement together with the relevant supporting documents will be submitted to board affairs department for approval.

The respective pricing policies for the continuing connected transactions of the Company will be supervised and monitored by the relevant personnel and management of the Company to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policies of the Company and will not be prejudicial to the interests of the Company and the Shareholders as a whole. The relevant personnel and management of the Company will conduct regular checks and assess whether individual transactions contemplated under continuing connected transactions are conducted in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

accordance with the terms of the relevant agreement and will also regularly review whether the price charged/paid for a specific transaction is fair and reasonable and in accordance with the applicable pricing policy. The Independent Non-Executive Directors will continue to review the transactions contemplated under each of the Services Agreements, and the auditors of the Company will also conduct an annual review on the pricing terms and Proposed Annual Caps thereof.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Service Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

We have further reviewed the internal control documents and enquired the management regarding the continuing connected transactions between the Company and connected parties and as advised by the Management, we noted that:

- (i) The relevant personnel and management from the business department of the Group will conduct regular checks and assess whether the transactions contemplated under each of the 2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are conducted in accordance with their terms and will also regularly review whether the fees charged by the Group are fair and reasonable and in accordance with the aforesaid pricing policy;
- (ii) the finance department will monitor the actual transaction amounts and monthly report will be made by the management team in relation to the aggregate transaction amounts and utilization rates of the annual caps to ensure that the annual caps under each of the relevant agreements will not be exceeded. In addition, where a threshold of 85% of the utilization rate is met, the finance department will alert the management team to consider revising the annual caps in accordance with the relevant requirements of the Listing Rules;
- (iii) the external auditors of the Company will conduct an annual review on the continuing connected transactions in accordance with the Listing Rules;
- (iv) the audit committee of the Company will review the transactions under each of the relevant agreements and recommend any proposals to improve the internal control measures; and
- (v) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on each of the relevant agreements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the above, we consider that the terms of reference, if implemented effectively by the Company, are sufficient to safeguard Shareholders' interest in the provision the Renewal of the 2023 Master Property Management Services Agreement and the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement. Accordingly, we are of the view that the internal control procedures are in place and in compliance with the internal measures as mentioned above.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the 2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the 2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM in relation to the 2023 Master Property Management Services Agreement and 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement and the transactions contemplated thereunder, and the proposed Annual Caps.

Yours faithfully,
For and on behalf of
Dongxing Securities
(Hong Kong) Company Limited
William Ho
Executive Director
Investment Banking Department

Mr. Ho Ka Pong is a licensed person registered with the Securities and Future Commission since 2005 and is currently a responsible officer of Dongxing Securities (Hong Kong) Company Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Ho has over 16 years of experience in the corporate finance industry, and has participated in the provision of Independent Financial Adviser services for various connected transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors', Supervisors' and Chief Executive's Interests

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director, Supervisor or the chief executive of the Company was deemed or taken to have under such provisions of the SFO), or were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(1) *Interests in the Company*

Name of Director	Nature of Interest	Class of Shares	Shares held in the relevant class of Shares		Percentage of the total share capital of the Company ⁽¹⁾ (approx.)
			Number ⁽¹⁾	Percentage ⁽¹⁾ (approx.)	
Mr. Xiao Tianchi	Interest of spouse ⁽²⁾	Domestic Shares	22,740,000 (L)	8.06%	6.05%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. As at Latest Practicable Date, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) By virtue of the SFO, Mr. Xiao Tianchi is deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao.

(2) *Interests in associated corporations of the Company*

Name	Name of associated corporation	Nature of interest	Interest in shares ^(Note)	Shareholding percentage (approx.)
Mr. Geng Jianfu	RiseSun Real Estate Development	Beneficial owner	9,540,432 (L)	0.22%
	RiseSun Holdings	Beneficial owner	32,200,000 (L)	5.00%
	RiseSun Construction Engineering	Beneficial owner	9,180,000 (L)	2.78%
Mr. Jin Wenhui	RiseSun Holdings	Beneficial owner	2,860,000 (L)	0.44%

Note: The letter “L” denotes the person’s long position in the shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director, Supervisor or the chief executive of the Company was deemed or taken to have under such provisions of the SFO), or were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or Supervisors was a director or employee of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director or Supervisor	Name of company	Title
Mr. Geng Jianfu	RiseSun Holdings	Supervisor
	RiseSun Real Estate Development	Co-president
Mr. Jing Zhonghua	RiseSun Real Estate Development	Vice president

3. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor their respective close associates had any direct or indirect interests in any business that constitutes or may constitute a competing business of the Company.

4. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director or Supervisor had entered into any service contract or letter of appointment with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS' OR SUPERVISORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (a) none of the Directors or Supervisors had any direct or indirect interest in any assets which have been, since December 31, 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or are proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (b) none of the Directors or Supervisors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

6. QUALIFICATION OF EXPERT AND CONSENT

The qualification of the expert who has given an opinion or advice in this circular is as follow:

Name	Qualification
Dongxing Securities (Hong Kong) Company Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the expert mentioned above (i) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinion and the references to its names included herein in the form and context in which it is respectively included; (ii) has no direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and (iii) has no direct or indirect interests in any assets which have been, since December 31, 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors have confirmed that there is no material adverse change in the financial or trading position of the Company since December 31, 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be available on display online on the Stock Exchange's website and on the Company's website from the date of this circular up to and including the date of the EGM:

- (a) the written consent of the Independent Financial Adviser, which was referred to in the section headed "Qualification of Expert and Consent" in this appendix;
- (b) the 2023 Master Property Management Services Agreement; and
- (c) the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.

NOTICE OF EGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Roiserv Lifestyle Services Co., Ltd. (the “**Company**”) will be held at 4:00 p.m. on March 2, 2023 at RiseSun Development Mansion, 81 Xiangyun Road, Economic and Technological Development Area, Langfang, Hebei Province, the People’s Republic of China (the “**PRC**”) for the following purposes:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the 2023 Master Property Management Services Agreement (as defined in the circular of the Company dated February 10, 2023 (the “**Circular**”)), a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the proposed annual caps set out in the 2023 Master Property Management Services Agreement be and are hereby approved; and
- (c) any one director of the Company (“**Director(s)**”) be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2023 Master Property Management Services Agreement.”

NOTICE OF EGM

2. “**THAT**
 - (a) the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement (as defined in the Circular), a copy of which is tabled at the meeting and marked “B” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
 - (b) the proposed annual caps set out in the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement be and are hereby approved; and
 - (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement.”
3. “To consider and approve the appointment of Mr. Yang Xi as the external supervisor of the Company and to authorize the board of Directors to fix his remuneration.”

By Order of the board of Directors
Roiserv Lifestyle Services Co., Ltd.
Geng Jianfu
Chairman and Executive Director

Langfang, the PRC, February 10, 2023

Notes:

1. All resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.roiserv.com) in accordance with the Listing Rules.
2. All shareholders of the Company are eligible for attending the EGM. Any shareholder of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy or more than one proxy to attend the EGM and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every shareholder of the Company present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed and returned to (i) the Company’s headquarters in the PRC at 81 Xiangyun Road, Economic and Technological Development Area, Langfang, Hebei Province, PRC (for holders of domestic shares of the Company) or (ii) the Company’s H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (for holders of H shares of the Company) not less than 24 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.

NOTICE OF EGM

4. For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, February 27, 2023 to Thursday, March 2, 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, unregistered holders of H shares should ensure that all transfer documents together with the relevant share certificates are lodged with the Company's H shares registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, no later than 4:30 p.m. on Friday, February 24, 2023.
5. The instrument appointing the proxy must be in writing and signed by the appointor or his/her attorney duly authorised in writing, or if the appointer is a legal person, either under a legal person's seal or signed by its director or an attorney duly authorised in writing.
6. The EGM (or any adjournment thereof) is expected to take no more than half a day. Shareholders of the Company or their proxies attending the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.

As at the date of this notice, the board of Directors 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.