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銀城生活服務有限公司

YINCHENG LIFE SERVICE CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1922)

INSIDE INFORMATION

This announcement is made by the board (the “**Board**”) of directors of Yincheng Life Service CO., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board has been informed by Mr. Xie Chenguang (“**Mr. Xie**”) (the chairman and a non-executive director of the Company), Mr. Ma Baohua (“**Mr. Ma**”) (a non-executive director of the Company), Mr. Dai Chengshu (“**Mr. Dai**”) (a substantial shareholder of the Company) and Mr. Zhu Li (“**Mr. Zhu**”) (a non-executive director of the Company) that on 2 June 2022, Silver Xie Holding Limited (“**Silver Xie**”) (a company directly wholly-owned by Mr. Xie), Silver Ma Holding Limited (“**Silver Ma**”) (a company directly wholly-owned by Mr. Ma), Silver Dai Holding Limited (“**Silver Dai**”) (a company directly wholly-owned by Mr. Dai) and Silver Li Holding Limited (“**Silver Li**”) (a company directly wholly-owned by Mr. Zhu) have disposed of 2,670,400 shares of the Company (the “**Shares**”, and each a “**Share**”) (representing approximately 1.00% of the entire issued share capital of the Company), 13,440,000 Shares (representing approximately 5.03% of the entire issued share capital of the Company), 30,600,000 Shares (representing approximately 11.45% of the entire issued share capital of the Company) and 6,720,000 Shares (representing approximately 2.52% of the entire issued share capital of the Company), respectively, off-market at the consideration of HK\$2.8 per Share to Hongkong Ruihua Investment Management Limited (the “**Share Transfers**”).

As advised by Mr. Xie, Mr. Ma, Mr. Dai and Mr. Zhu, save for Hongkong Ruihua Investment Management Limited (“**Ruihua Investment**”) who has undertaken that, other than to the related parties of Ruihua Investment, Ruihua Investment shall not dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the Shares that were transferred to it from Silver Xie, Silver Ma, Silver Dai and Silver Li within two years from the date of the Share Transfers, there is no other restrictions or conditions in the dealings of such Shares.

As at the date of this announcement, (i) Ruihua Investment holds a total of 53,430,400 Shares (representing approximately 20.00% of the entire issued share capital of the Company) and becomes a substantial shareholder of the Company; (ii) Silver Dai no longer holds any Share in the Company hence ceases to be a substantial shareholder of the Company; and (iii) the Company remains ultimately owned as to approximately 38.66% by Mr. Huang Qingping (a non-executive director and the controlling shareholder of the Company), hence the Share Transfers did not result in any change in the controlling shareholder and de facto controller of the Company.

INFORMATION OF RUIHUA INVESTMENT

Ruihua Investment is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Jiangsu Ruihua Investment Holding Group Company Ltd.* (江蘇瑞華投資控股集團有限公司) (“**Jiangsu Ruihua**”).

Ruihua Investment provides investment management services in Hong Kong, and primarily invests in the real estate industry, individual private property, stock industry and other related industries. Jiangsu Ruihua is one of the widely-recognised large scale integrated asset management companies in the People’s Republic of China and principally engages in investments in the securities market, direct equity investments, private investment in public equity and investments in financial futures and derivatives.

Save for the shareholding interests of Ruihua Investment in the Company, it is to the best knowledge, information and belief of the directors of the Company after having made all reasonable enquiries, that each of Ruihua Investment and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SHARE TRANSFERS

The property management industry which the Group principally engages in has the ability to generate stable income and cash flow and has huge market potential, yet the concentration of this industry is low and it is expected that companies in this industry will face huge pressure from the increasing costs in the future. Mergers and acquisitions could be a means to strengthen the business development of the Group. Through introducing Ruihua Investment to the Group by conducting the Share Transfers, the Group could leverage the resources and support of Ruihua Investment and seek quality acquisition targets to expand its capital strength, accelerate its business development and promote the transformation and upgrade of the Group.

Besides, the Group has provided non-residential property management services to a wide range of reputable customers such as the headquarter of Bank of Jiangsu, City Wall of Nanjing, Nanjing Olympic Sports Centre, and Jiangsu Provincial Federation of Trade Unions, and its property management capabilities are being recognised by the market. The charity domain of Ruihua Investment can share the resources it has in relation to hospitals and education institutions and help the Group to further promote its non-residential property management business.

Furthermore, Ruihua Investment can ride on its social influence and the projects it has invested in to expand the potential business opportunities of the Group, enhance the development vitality of the Group and realise the complementary advantages of the Company and Ruihua Investment.

The Board also believes that the Share Transfers are in the interests of the Company and its shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board of
Yincheng Life Service CO., Ltd.
XIE Chenguang
Chairman

Hong Kong, 2 June 2022

As at the date of this announcement, the executive directors of the Company are Mr. Li Chunling and Ms. Huang Xuemei; the non-executive directors of the Company are Mr. Huang Qingping, Mr. Xie Chenguang, Mr. Ma Baohua and Mr. Zhu Li; and the independent non-executive directors of the Company are Mr. Chow Siu Hang, Mr. Li Yougen and Mr. Mao Ning.

** for identification purpose only*