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Ronshine Service Holding Co., Ltd
融信服務集團股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2207)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF 48% EQUITY INTEREST IN
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 29 June 2022, Ronshine Shiou, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Fujian Nuohai, pursuant to which Ronshine Shiou has agreed to acquire, and Fujian Nuohai has agreed to dispose, 48% equity interest in the Target Company at a total consideration of RMB12,000,000 (equivalent to approximately HK\$14,280,614).

As at the date of this announcement, the Target Company is owned as to 52% by Ronshine Shiou and 48% by Fujian Nuohai, and is an indirect non wholly-owned subsidiary of the Company. Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will continue to be consolidated to the financial results of the Group.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 29 June 2022, Ronshine Shiou, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Fujian Nuohai, pursuant to which Ronshine Shiou has agreed to acquire, and Fujian Nuohai has agreed to dispose, 48% equity interest in the Target Company at a total consideration of RMB12,000,000 (equivalent to approximately HK\$14,280,614).

THE ACQUISITION

Date

29 June 2022

Parties

- (1) Fujian Nuohai, as the vendor; and
- (2) Ronshine Shiou, as the purchaser.

Assets to be acquired

Pursuant to the terms of the Equity Transfer Agreement, Ronshine Shiou has agreed to acquire, and Fujian Nuohai has agreed to dispose, 48% equity interest in the Target Company. The Target Company is a company established in the PRC with limited liability and is principally engaged in the provision of property management services.

Consideration

The total consideration for the Acquisition is RMB12,000,000 (equivalent to approximately HK\$14,280,614) (the “**Consideration**”), which shall be settled in cash as follows:–

- (i) First instalment: a sum of approximately RMB4,800,000 (equivalent to approximately HK\$5,712,246), being 40% of the Consideration, shall be settled by Ronshine Shiou within 30 days after the execution of the Equity Transfer Agreement; and
- (ii) Second instalment: a sum of approximately RMB7,200,000 (equivalent to approximately HK\$8,568,368) being the remaining 60% of the Consideration, shall be settled by Ronshine Shiou within 30 days after completion of the relevant registration procedures with the relevant market regulation authority in the PRC in relation to the transfer of the equity interest in the Target Company from Fujian Nuohai to Ronshine Shiou.

The Consideration was agreed after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to (i) the unaudited net assets of the Target Company as of 31 December 2021 of approximately RMB14,025,403 (equivalent to approximately HK\$17,154,357); and (ii) the total gross floor area under management of approximately 9,600,000 sq.m. as at 31 December 2021. The Directors consider that the Consideration is fair and reasonable so far as the Company and the Shareholders are concerned.

The Consideration will be financed by the Group's internal resources.

Completion of the Acquisition

Pursuant to the terms of the Equity Transfer Agreement, the 48% equity interest in the Target Company shall be transferred to Ronshine Shiou free from encumbrances and Fujian Nuohai shall cooperate with Ronshine Shiou to complete the registration formalities for the transfer with the relevant authority.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will continue to be consolidated to the financial results of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability and is principally engaged in the provision of property management services in the PRC.

A summary of the financial information of the Target Company (based on its unaudited management accounts) is as follows:

	For the year ended	
	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit/(loss) before taxation	19,636	7,160
Profit/(loss) after taxation	14,689	5,331

The unaudited net asset value of the Target Company as at 31 December 2021 was approximately RMB14,025,403 (equivalent to approximately HK\$17,154,357).

INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Company is an investment holding company. The Group is a comprehensive and fast-growing property management services provider in the PRC, offering diversified property management services for both residential and non-residential properties. The Group is primarily engaged in the provision of (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services.

Ronshine Shiou is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company which is principally engaged in the provision of property management services in the PRC.

Fujian Nuohai is a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, (i) Fujian Nuohai was established for the engagement of construction business but currently has no substantial business operations; (ii) Mr. Chen Meiquan* (陳美泉) and Zhangzhou Yixian Jinguan Miaomu Co., Ltd.* (漳州市宜仙景觀苗木有限公司) are the registered shareholders of Fujian Nuohai, each holding 1% and 99% equity interest in Fujian Nuohai, respectively, on behalf of the beneficial owner, being a company controlled by Mr. Xu Dongyu* (許東宇); and (iii) each of Fujian Nuohai and its ultimate beneficial owners is an Independent Third Party.

REASON FOR AND BENEFITS OF THE ACQUISITION

As the Target Company is one of the principal operating subsidiaries of the Company, through the Acquisition, the Group will be able to increase its interest in the Target Company to 100%, thereby enhancing control and influence over the management and operation of the Target Company, which will in turn offer greater flexibility in business strategy and contribute to the long-term stable development of the Group.

The Directors consider that the Acquisition has been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Acquisition is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 48% equity interest in the Target Company from Fujian Nuohai by Ronshine Shiou as contemplated under the Equity Transfer Agreement
“Board”	the board of directors of the Company
“Company”	Ronshine Service Holding Co., Ltd, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 29 June 2022 entered into between Ronshine Shiou and Fujian Nuohai with respect to the Acquisition
“Fujian Nuohai”	Fujian Nuohai Construction Engineering Co., Ltd* (福建諾海建設工程有限公司), a company established in the PRC with limited liability and an Independent Third Party
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Ronshine Shiou”	Rongxin Shiou Property Service Group Co., Ltd.* (融信世歐物業服務集團有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ronshine (Fujian) Property Management Co., Ltd.* (融信(福建)物業管理有限公司), a company established in the PRC with limited liability and owned as to 52% by Ronshine Shiou and 48% by Fujian Nuohai
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.8403.

By order of the Board
Ronshine Service Holding Co., Ltd
Ou Zonghong
Chairman

Hong Kong, 29 June 2022

As at the date of this announcement, Mr. Ou Zonghong, Mr. Ma Xianghong, and Ms. Lin Yi are the executive Directors; Ms. Lin Liqiong is the non-executive Director; and Mr. Ye Azhong, Mr. Chen Zhangwang and Mr. Kwok Kin Kwong Gary are the independent non-executive Directors.

* *The English translation of the Chinese names in this announcement where indicated is included for information only.*