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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) MAJOR TRANSACTION IN RELATION TO REDEMPTION
OF FUND PRODUCTS; AND
(2) DISCLOSURE IN RELATION TO PAYMENT OF THE
REFUNDABLE PERFORMANCE DEPOSIT**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Roiserv Lifestyle Services Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.13, 13.15, 13.20 and 14.34 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

REDEMPTION OF FUND PRODUCTS

The Subscription Agreement

Reference is made to the announcements of the Company dated 21 June 2021 and 27 July 2021 (the “**Announcements**”) in relation to the subscription agreement (the “**Subscription Agreement**”) entered into among the Company, Beijing Tongxing Gongying Asset Management Company Limited* (北京同興共贏資產管理有限公司) (“**Beijing Tongxing**”) and Industrial Securities Co., Ltd..

As disclosed in the Announcements, the Company invested a total of RMB500 million in the Tongxing Changxing No. 6 Fixed Income Private Equity Investment Fund* (the “**Fund**”), which in turn invested in fixed income financial products. The Fund is an open-ended fund which could issue and redeem shares any time, with a term of 15 years upon its inception. According to the terms of the Subscription Agreement, the Company shall have the right to redeem the relevant units at any time prior to the maturity of the term of the Fund by giving prior notice to the manager of the Fund. The redemption shall be calculated at the net asset value of the Fund per unit multiplied by the number of units to be redeemed at the time of the redemption application.

On 24 June 2022, the Company fully redeemed the Fund in the amount of RMB500 million in accordance with the terms and conditions of the Subscription Agreement (the “**Redemption**”) at an aggregate redemption proceeds of RMB520,827,687.69. Based on the net asset value of the Fund as at the date of the Redemption, the redemption price was approximately RMB1.05 per unit.

Please refer to the Announcements for further details of the Subscription Agreement.

Financial effects of the Redemption and Intended Use of Proceeds

As a result of the Redemption, the cash balance of the Company increased by RMB520,827,687.69 and the financial assets held-for-trading of the Company decreased by RMB500,000,000. Accordingly, the Company recorded an investment income of RMB20,827,687.69 (before the tax) and a net income of RMB19,648,761.97 in its financial statements for the period ended 30 June 2022, which was the difference between the net proceeds from the Redemption and the carrying value of the Fund in the Company's books. The Company intended to use the net proceeds from the Redemption as general working capital of the Group.

Information about the Group and Beijing Tongxing

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

Beijing Tongxing was established in 2005, headquartered in Beijing with a registered and paid-in capital of RMB50 million. It is an independent third-party institution engaging in the asset management business, and has completed its private fund manager filing and issued products.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, Beijing Tongxing is owned as to 75% and 25% by Mr. Zhou Jichang (周繼昌) (“**Mr. Zhou**”) and Tongxing Wencheng (Beijing) Asset Management Company Limited* (同興穩成(北京)投資管理有限公司), respectively. Further details of Mr. Zhou and Tongxing Wencheng (Beijing) Asset Management Company Limited are set out in the Announcements.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Beijing Tongxing and its ultimate beneficial owner are independent of the Company and its connected persons (as defined under the Listing Rules).

Reasons for and Benefits of the Redemption

As stated in the interim results announcement of the Company dated 31 August 2022, the Group redeemed the Fund in full in order to reasonably and effectively improve the efficiency of capital utilization in view of the investment environment in the market. The Redemption was made in accordance with the Subscription Agreement, which allowed the Group to recognize a net income of approximately RMB20 million.

In view of the above, the Directors are of the view that the terms of the Redemption are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

The Redemption is the exercise of an option under Rule 14.75(2), and thus a transaction under Rule 14.04(1)(b) of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Redemption exceeds 25% but is less than 75%, the Redemption constitutes a major disposal for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting if the Company were to convene and hold a general meeting for the approval of the Redemption. In lieu of holding a general meeting, the Company has obtained a written shareholders' approval for the Redemption from RiseSun Real Estate Development Co. Ltd. pursuant to Rule 14.44 of the Listing Rules. As at the date of the Redemption and the date of this announcement, RiseSun Real Estate Development Co. Ltd., directly holds 235,527,000 domestic shares of the Company, representing approximately 62.64% of the entire issued share capital of the Company.

A circular containing, among other things, further details of the Redemption and such other information as required under the Listing Rules is expected to be despatched to the shareholders of the Company on or before 6 December 2022.

PAYMENT OF REFUNDABLE PERFORMANCE DEPOSIT

(1) Disclosure pursuant to Rules 13.13 and 13.15 of the Listing Rules

The Board announced that, on 30 June 2022, the Company entered into a sales agency service agreement (the “**Sales Agency Agreement**”) with Langfang Junyi Building Materials Co., Ltd. (廊坊俊義建材有限公司) (“**Langfang Junyi**”). According to the public search, Langfang Junyi is indirectly owned as to 60% by Wang Xin (王鑫) and 40% by Chen Zhandi (陳佔地), both of whom are independent third parties of the Company.

Pursuant to the Sales Agency Agreement, Langfang Junyi shall grant the right to the Company to provide sales agency services on an exclusive basis in respect of certain car parking lots (the “**Parking Lot(s)**”) of Langfang Junyi for a term of two years from 30 June 2022 to 30 June 2024 where the Company was required to pay a refundable performance deposit amounting to RMB614,700,000 (the “**Performance Deposit**”) to guarantee its performance of duty and obligation under the Sales Agency Agreement.

For each Parking Lot, a based price (the “**Base Price**”), which is approximately 70% to 80% of the market value of each Parking Lot, has been agreed between the Company and Langfang Junyi. The Company will then sell the Parking Lot to a third party customer at a selling price (the “**Agreed Price**”) which shall not be lower than the Base Price of such Parking Lot. The proceeds from the sale of the Parking Lots will be collected by the Company to offset the Performance Deposit first on a dollar for dollar basis, subject to the maximum of the Base Price of each Parking Lot. After the Base Price of a Parking Lot had been offset against the Performance Deposit, the difference between such Agreed Price and Base Price shall be distributed to Langfang Junyi and the Company in the proportion of 30% and 70%. Any outstanding Performance Deposit shall be returned to the Company within seven business days upon the expiry of the Sales Agency Agreement.

As the assets ratio of the Performance Deposit had exceeded 8% based on the total assets of the Company as at 31 December 2021, the payment of the Performance Deposit was subject to the announcement requirement under Rules 13.13 and 13.15 of the Listing Rules.

The Company paid the initial Performance Deposit of RMB500,000,000 on 30 June 2022 and the remaining Performance Deposit of RMB114,700,000 on 1 July 2022.

(2) Disclosure pursuant to Rule 13.20 of the Listing Rules

Reference is also made to the interim report of the Company for the period ended 30 June 2022 published on 29 September 2022 (the “**Interim Report**”). As the initial Performance Deposit of RMB500,000,000 was paid and outstanding as at 30 June 2022, the above disclosure regarding the Performance Deposit should have been made in the Interim Report pursuant to Rule 13.20 of the Listing Rules.

REMEDIAL MEASURES

Due to misinterpretation of the Listing Rules, the Company mistakenly believed that there was no disclosure obligation under the Listing Rules regarding the Redemption and the Performance Deposit due to the following reasons:

- (i) the Company mistakenly believed that the redemption right exercised by the Company in accordance with the Subscription Agreement would not be considered as the exercise of an option under Rule 14.75(2) of the Listing Rules, which rendered the Redemption a separate standalone transaction under Chapter 14 of the Listing Rules; and
- (ii) the Company did not consider the Performance Deposit is an advance to entity under Rule 13.13 of the Listing Rules as it was in substance a trade receivable which was paid in the ordinary and usual course of business of the Company and on normal commercial terms. Therefore, it was not aware that a disclosure obligation under Rules 13.13, 13.15 and 13.20 of the Listing Rules had been triggered.

The Board recognizes, for the avoidance of future occurrence of the above incidents, they need to enhance its internal control and compliance measures. To prevent similar incidents from occurring, the management of the Company undertakes to take steps to strengthen the internal controls over the procedures for all obligations under Chapters 13 and 14 of the Listing Rules. In particular, the Company has put in place the following internal control measures:

- (i) engaging professional parties to provide regular internal trainings on general disclosure obligations and notifiable transaction(s) to all relevant personnel, including accounting staff and senior management in all business departments of the Group to reinforce and re-explain the relevant requirements of the Listing Rules;
- (ii) strengthening the implementation of its internal control system on transactions, including but not limited to the strengthening of the coordination and reporting arrangements for notifiable transactions among various departments of the Company; and

- (iii) for any potential transaction(s) which may constitute new notifiable transaction(s) of the Group, consulting professional advisers and the Stock Exchange (where necessary) in a timely manner prior to the entering into of such transaction(s).

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

Langfang, the PRC, 15 November 2022

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

* *For identification only*