

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

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)

DISCLOSEABLE TRANSACTION

IN RELATION TO THE ACQUISITION OF 80% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

On June 21, 2023, the Company, the Vendor and the Target Company entered into the Agreement, pursuant to which the Company agreed to acquire, and the Vendor agreed to dispose of, 80% equity interest in the Target Company at a consideration of RMB40 million.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but all of which are less than 25%, the entering into the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

THE ACQUISITION

On June 21, 2023, the Company, the Vendor and the Target Company entered into the Agreement, pursuant to which the Company agreed to acquire, and the Vendor agreed to dispose of, 80% equity interest in the Target Company at a consideration of RMB40 million.

Date

June 21, 2023

Parties

- (1) the Company as the purchaser;
- (2) Langfang International Exhibition Group Co., Ltd.* (廊坊國際展覽集團有限公司), as the Vendor; and
- (3) the Target Company.

Assets to be acquired

Pursuant to the Agreement, the Company agreed to acquire, and the Vendor agreed to dispose of, 80% equity interest in the Target Company.

The Consideration

Pursuant to the Agreement, the consideration shall be RMB40 million (subject to adjustment in the manner set out in the subsection headed “Consideration adjustment” below) and payable in cash by the Company to the Vendor after the signing of the Agreement.

The Acquisition will be financed by the net proceeds from the listing of the Company on the Stock Exchange.

Basis for the determination of the Consideration

The Consideration of the Acquisition was determined after arm’s length negotiations between the Company and the Vendor with reference to, among others, (i) the valuation of the 100% equity interest of the Target Company of RMB50,050,200 conducted by an independent and qualified valuer using market approach as of May 31, 2023; (ii) the 80% equity interest of the Target Company under the Acquisition; and (iii) the reasons and benefits as more particularized in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below.

In the Valuation Report, the Valuer adopted a market approach to determine the valuation of the Target Company. As the Target Company is principally engaged in property management services, the value of the Target Company is not only based on tangible resources such as fixed assets, but more so on the valuable intangible resources such as business networks, service capabilities and talents of the Target Company, and the value of such intangible assets would not be appropriately reflected if an asset-based approach was adopted. Therefore, the Valuer opted for a market approach based on the comparable companies on the market which can better reflect the market situation and to objectively and reasonably reflect the value of the Target Company.

The Valuer selected three comparable companies which are engaged in similar business in the PRC and are listed on the Shenzhen Stock Exchange or Shanghai Stock Exchange having taken into consideration of the profit-generating capacity, solvency, and business environment of the Target Company.

The valuation was determined with reference to the average P/E multiple of the comparable companies, the coefficient factor of the comparable companies, the net profit attributable to the owner of the Target Company for the trailing 12 months as at May 31, 2023 and the discount for lack of marketability given the Target Company is a private company as at the date of valuation, being May 31, 2023. The adjusted P/E ratio of the comparable companies ranged from 11.47 to 25.36, with an average P/E ratio of 19.88.

Consideration adjustment

The Consideration is subject to adjustments under, among others, the following circumstances: (i) the Vendor is in breach of the conditions, representation and warranties as stipulated in the Agreement causing loss to the Target Company; (ii) there are debts or claims of the Target Group upon Completion which had not been disclosed to the Company in the Agreement; (iii) there are unrecorded liabilities of the Target Group or the assets of the Target Group were not delivered as per the Agreement after the payment of the Consideration; (iv) the actual assets of the Target Group are more than the assets list as set out in the Agreement; (v) the actual liabilities of the Target Group upon Completion are different from that set out in the Agreement; (vi) there is an increase in revenue of the Target Group not in the usual course of business of the Target Group (excluding the matters which had been considered in the relevant audit report and valuation report for the purpose of the Acquisition) caused by the events pre-existed prior to the Completion; and (vii) the Company is in breach of the conditions, representation and warranties as stipulated in the Agreement.

As a result of the occurrence of the abovementioned circumstances, if it is the Company who is entitled to a downward adjustment in the Consideration, the Company should provide a written notice to the Vendor, who shall return to the Company the adjustment amount within 5 working days from the date of the written notice. If it is the Vendor who is entitled to an upward adjustment in the Consideration, the Vendor should provide a written notice to the Company, who shall pay to the Vendor the adjustment amount within 5 working days from the date of the written notice.

Condition Precedent

Within 10 days from the completion of the registration of the change of equity interests of the Target Company with the relevant industrial and commercial authority, the Vendor shall, with the assistance of the Target Company, deliver to the Company all relevant licenses, seals, financial documents and accounts, project files, assets, management files, business documents and other relevant materials and ancillary documents pursuant to the Agreement.

Completion is conditional upon the Vendor delivering all the above-mentioned completion items to the Company.

Completion of the Acquisition

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial statements of the Group.

Upon Completion, the shareholdings structure of the Target Company will be as follows:

Shareholder	Registered Capital (RMB)	Percentage of Shareholding
The Company	40,000,000	80%
The Vendor	10,000,000	20%
Total	50,000,000	100%

Profit and loss allocation prior to Completion

Pursuant to the Agreement and in proportion to their respective equity holdings, the Company and the Vendor are entitled to the profits of the Target Company during the period from May 31, 2023 to the date of Completion.

Profit guarantee

Pursuant to the Agreement, the Vendor warrants that the Target Group's existing 12 projects will be renewed for the eight years ending June 21, 2031 and the guaranteed aggregated annual net profit is RMB3,890,000. Should there be any failure in such renewal or if the guaranteed aggregated annual net profit is not met, the dividend declared by the Target Company to the Vendor in proportion to its shareholding in the Target Company shall be re-distributed to the Company in the amount based on the following formula:

Profit re-distribution amount = the average net profit rate of the 12 projects × the annual revenue of the non-renewed project × the number of years of the project not being renewed

In case of any non-renewal of the 12 existing projects, any new project undertaken by the Target Group could be used to replace such existing project.

INFORMATION ABOUT PARTIES TO THE AGREEMENT

Information on the Target Company

The Target Company is principally engaged in property management services and possesses the National Level 1 qualification for property management, for public environment disinfection and cleaning enterprise service, and pest control and four-pest disinfecting service enterprise service respectively. The Target Company currently manages 12 projects, with a total managed gross floor area of approximately 1,667,100 square meters. As at the date of this announcement, it is wholly owned by the Vendor.

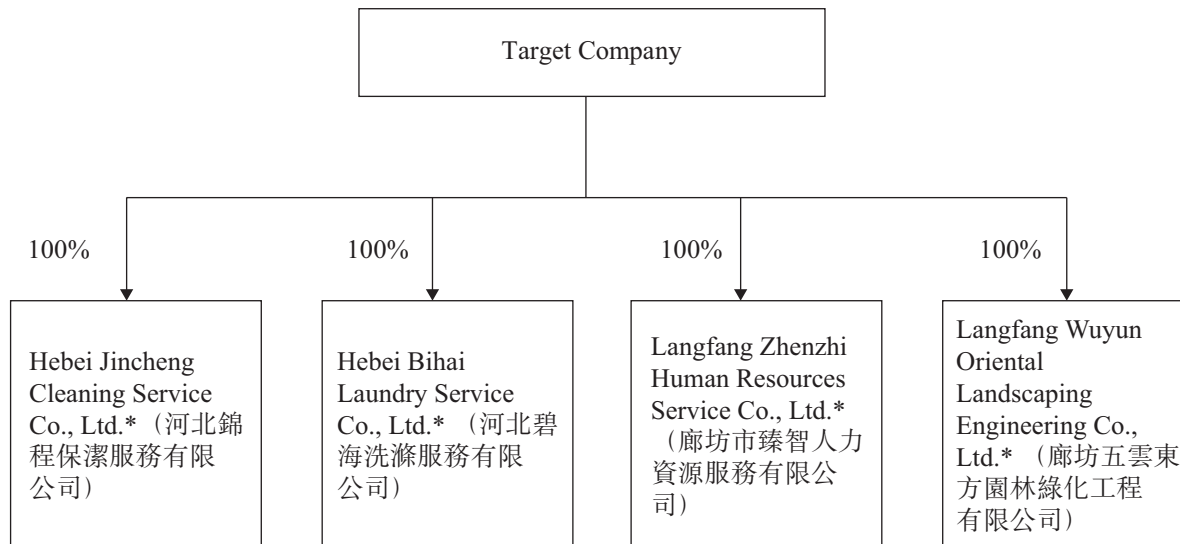
Set out below is the consolidated financial information of the Target Company for the two financial years ended December 31, 2022 and the audited consolidated financial information of the Target Company for the five months ended May 31, 2023:

	For the year ended December 31,		For the five months
	2021	2022	ended May 31,
	(RMB)	(RMB)	2023
	(unaudited)	(audited)	(audited)
Profit before tax	925,600	2,011,927	3,407,303
Profit after tax	902,400	1,936,331	2,555,477

The audited net assets value of the Target Company was RMB6,407,700 and RMB58,912,000 as at December 31, 2022 and May 31, 2023, respectively.

Structure of the Target Group

Below is a chart depicting the structure of the Target Group which comprises the Target Company and its four wholly-owned subsidiaries as at the date of this announcement:



Hebei Jincheng Cleaning Service Co., Ltd.* (河北錦程保潔服務有限公司) is a company incorporated in the PRC with limited liability and principally engaged in the business of cleaning services, housekeeping services, household moving services, building cleaning services, decoration works, maintenance of electrical appliances, maintenance of machinery and equipment, maintenance of office equipment, maintenance of telecommunication devices in the PRC.

Hebei Bihai Laundry Service Co., Ltd.* (河北碧海洗滌服務有限公司) is a company incorporated in the PRC with limited liability and principally engaged in the business of laundry service in the PRC.

Langfang Zhenzhi Human Resources Service Co., Ltd.* (廊坊市臻智人力資源服務有限公司) is a company incorporated in the PRC with limited liability and principally engaged in the business of landscape design, landscape construction, greenery maintenance, municipal engineering; planting, maintenance, rental and sales of flowers and plants in the PRC.

Langfang Wuyun Oriental Landscaping Engineering Co., Ltd.* (廊坊五雲東方園林綠化工程有限公司) is a company incorporated in the PRC with limited liability and principally engaged in the business of labor dispatch and human resource services in the PRC.

The Company

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

The Vendor

The Vendor, Langfang International Exhibition Group Co., Ltd.* (廊坊國際展覽集團有限公司), is a limited liability company established in the PRC and principally engaged in property management services, pest control and four-pest disinfecting services and public environment disinfection and cleaning services. As at the date of this announcement, the Vendor is owned as to 95% by Mr. Wang Jiandong, 4% by Mr. Wang Zitong and 1% by Mr. Wang Yufei.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, each of the Vendor, Mr. Wang Jiandong, Mr. Wang Zitong and Mr. Wang Yufei is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company is a reputable property management service provider in Hebei Province, the PRC. Since the listing of its H Shares on the Stock Exchange, the Company has been looking for opportunities to, among others, expand its business scales in acquiring property management companies. The Target Company has met the selection criteria as set out in the Company's prospectus dated December 31, 2020. The Board believes that the Acquisition can further expand the scale and scope of the Group's business operations, increase its market share and enhance its competitiveness in Hebei Province, the PRC, which is in line with the strategic needs of the Group.

In view of the above, the Directors (including all independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable and are on normal commercial terms and the Acquisition is in line with the Group's strategy and development plan to expand the scale and scope of its business operations and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but all of which are less than 25%, the entering into the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of 80% equity interest in the Target Company by the Company from the Vendor
“Agreement”	the equity transfer agreement dated June 21, 2023 entered into, among others, by the Company, the Vendor and the Target Company in respect of the Acquisition
“Board”	the board of Directors

“Company”	Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司), a joint stock company established in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2146)
“Completion”	completion of the Acquisition upon the Vendor delivering all the completion items to the Company as set out in the section headed “Condition Precedent”
“Consideration”	the consideration for the Acquisition, being RMB40 million
“Director(s)”	director(s) of the Company
“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
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“P/E”	the price to earnings ratio
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hebei Jinxiang Property Group Co., Ltd.* (河北金項物業集團有限公司), a limited liability company established in the PRC and is wholly owned by the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“Valuation Report”	the valuation report prepared by the Valuer for the purpose of the Acquisition

“Valuer”	the independent and qualified valuer
“Vendor”	Langfang International Exhibition Group Co., Ltd.* (廊坊國際展覽集團有限公司), a company incorporated under the laws of the PRC with limited liability
“%”	per cent.

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

Langfang, the PRC
June 21, 2023

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

* *for identification purposes only*