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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)**

## **UPDATE ON PERFORMANCE GUARANTEE IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST IN NANJING HUIREN HENGAN**

This announcement is made by Yincheng Life Service CO., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 16 March 2020 in respect of the acquisition of 51% equity interest in Nanjing Huiren Hengan Property Management Co., Ltd.\* (南京匯仁恆安物業管理有限公司) (the “**Target Company**”) (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcement.

As disclosed in the Announcement, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, the Guarantor, Mr. Kong, Ms. Shen and the Target Company entered into the Agreement on 16 March 2020, pursuant to which the Parties agreed that the Purchaser shall acquire, and the Vendor shall sell, the Equity Interest (representing 51% of the entire equity interest in the Target Company) at the Consideration of RMB45,900,000. Completion took place on 30 April 2020. In accordance with the performance guarantee undertaking (the “**Performance Guarantee Undertaking**”) under the Agreement, the Guarantor deposited the Performance Guarantee Deposit of RMB23.9 million into the account designated by the Purchaser, which shall be returned to the Guarantor without interest if the target net profit of RMB10,000,000, RMB11,200,000 and RMB12,500,000 for the years ended 31 December 2020, 2021 and 2022, respectively, are achieved by the Target Company. According to the Performance Guarantee Undertaking, the Performance Guarantee Deposit shall be returned to the Guarantor in three instalments of RMB10,000,000 (the “**First Repayment Instalment**”), RMB8,000,000 (the “**Second Repayment Instalment**”) and RMB5,900,000 (the “**Third Repayment Instalment**”), respectively, if the Target Company achieves its target net profit of each year.

For further details on the Performance Guarantee Undertaking, please refer to the Announcement.

The Target Company has fulfilled the target net profit of the Performance Guarantee Undertaking for the year ended 31 December 2020, 2021 and 2022 respectively. Accordingly, the Purchaser has returned to the Guarantor the First Repayment Instalment and the Second Repayment Instalment. As at the date of this announcement, the Purchaser has returned to the Guarantor RMB1,000,000 of the Third Repayment Instalment and the remaining RMB4,900,000 shall be returned by 31 December 2023.

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

Hong Kong, 1 August 2023

*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 only*