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瑞森生活服務有限公司

RUISEN LIFE SERVICE CO, LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1922)

CONTINUING CONNECTED TRANSACTIONS

(1) RENEWAL OF EXISTING FRAMEWORK AGREEMENTS; (2) ENTERING INTO OF NEW FRAMEWORK AGREEMENT; AND (3) PAST NON-COMPLIANCE

Reference is made to the announcement of the Company dated 11 November 2021 relating to, inter alia, the entering into of the Existing Framework Agreements.

As the term of each of the Existing Framework Agreements shall expire on 31 December 2024, the Company entered into the 2025 First Master Property Management Agreement and 2025 Second Master Property Management Agreement to renew the agreements and the annual caps.

Further, the Company entered into the 2025 Ruihua Master Property Management Agreement.

2025 FIRST MASTER PROPERTY MANAGEMENT AGREEMENT

On 31 December 2024 (after trading hours), the Company (for itself and on behalf of its subsidiaries) and Yincheng Real Estate (for itself and on behalf of its subsidiaries) entered into the 2025 First Master Property Management Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027 (both days inclusive).

As at the date of this announcement, Yincheng Real Estate is beneficially owned as to approximately 53.11% by Mr. Huang, a non-executive Director and a controlling shareholder of the Company. Yincheng Real Estate is an associate of Mr. Huang and a connected person of the Company under Chapter 14A of the Listing Rules. Hence the entering into of the 2025 First Master Property Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed First Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 First Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2025 SECOND MASTER PROPERTY MANAGEMENT AGREEMENT

On 31 December 2024 (after trading hours), the Company (for itself and on behalf of its subsidiaries) and Yincheng International (for itself and on behalf of its subsidiaries) entered into the 2025 Second Master Property Management Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027 (both days inclusive).

As at the date of this announcement, Yincheng International is indirectly owned as to approximately 37.26% by Mr. Huang, a non-executive Director and a controlling shareholder of the Company. Yincheng International is an associate of Mr. Huang and a connected person of the Company under Chapter 14A of the Listing Rules. Hence the entering into of the 2025 Second Master Property Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed Second Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 Second Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2025 RUIHUA MASTER PROPERTY MANAGEMENT AGREEMENT

On 31 December 2024 (after trading hours), the Company (for itself and on behalf of its subsidiaries) and Jiangsu Ruihua (for itself and on behalf of its subsidiaries) entered into the 2025 Ruihua Master Property Management Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027 (both days inclusive).

As at the date of this announcement, the Company is indirectly owned as to 27.98% by Jiangsu Ruihua. Jiangsu Ruihua is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. Hence the entering into of the 2025 Ruihua Master Property Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed Ruihua Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 Ruihua Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PAST NON-COMPLIANCE WITH CHAPTER 14A OF THE LISTING RULES

It has recently come to the Company's attention that the aggregated transaction amounts in relation to each of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions, respectively, just exceeded HKD3 million.

As the applicable percentage ratios for such aggregated transactions of each of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions, respectively, exceeded 0.1% but all of them were less than 5%, such transactions were subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

However, due to inadvertent oversight, the Company failed to comply with the relevant requirements for continuing connected transactions under Chapter 14A of the Listing Rules in a timely manner.

The Company regrets that such oversight had occurred. In order to ensure proper compliance with the Listing Rules in the future, the Company is taking several remedial measures as set out in this announcement.

RENEWAL OF EXISTING FRAMEWORK AGREEMENTS

Reference is made to the announcement of the Company dated 11 November 2021 relating to, inter alia, the entering into of the Existing Framework Agreements.

As the term of each of the Existing Framework Agreements shall expire on 31 December 2024, the Company entered into the 2025 First Master Property Management Agreement and 2025 Second Master Property Management Agreement to renew the agreements and the annual caps.

(I) 2025 FIRST MASTER PROPERTY MANAGEMENT AGREEMENT

The major terms of the 2025 First Master Property Management Agreement are as follows:-

- Date : 31 December 2024
- Term : From 1 January 2025 to 31 December 2027 (both days inclusive)
- Parties : (1) the Company (for itself and on behalf of its subsidiaries)
(2) Yincheng Real Estate (for itself and on behalf of its subsidiaries)
- Services : The Group agreed to provide the following property services to the Yincheng Real Estate Group:
- (i) property management services, including but not limited to cleaning, gardening, waste disposal, parking, traffic and security management services;
 - (ii) professional services, including but not limited to facility installation, maintenance and renovation services, and catering services; and
 - (iii) value-added services, including but not limited to event management.
- Service Targets : The property services shall be provided in respect of:
- (i) the remaining unsold property units and sold property units prior to the agreed delivery date set out in the property purchase contract for projects developed or owned by the Yincheng Real Estate Group. Such properties include residential and non-residential properties;
 - (ii) the common area and facilities of such properties, and other related sites such as sales offices, parking spaces and storage rooms; and
 - (iii) other non-real estate companies owned by the Yincheng Real Estate Group, including hospitals, senior care service companies, marketing companies, business management companies, agricultural and livestock companies etc.

Relevant subsidiaries of both parties will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2025 First Master Property Management Agreement.

Pricing policy

The service fees to be charged for the provision of property services shall be determined by the contract parties after arm's length negotiations at the time of entry into the relevant agreements with reference to:

- (i) the location of the properties; and
- (ii) the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees charged for similar services and similar types of projects in the market, and the expected increase in costs caused by external factors such as inflation and socio-economics development;

The services fees to be charged shall be fair and reasonable, in line with the prevailing market rate for such property services, and not higher than the standard fees as set by the relevant regulatory authorities in the PRC (if applicable).

Reasons for and benefits of the 2025 First Master Property Management Agreement

With the continuous demand for the Group's property management services by the Yincheng Real Estate Group, such transactions between the Group and the Yincheng Real Estate Group are expected to continue.

Based on the historical transaction amount under the 2022 First Master Property Management Agreement and the estimated demand for the Group's services by the Yincheng Real Estate Group under the 2025 First Master Property Management Agreement, it is expected that the 2025 First Master Property Management Agreement will contribute to a stable revenue stream to the Group.

Annual caps

Historical transaction values and annual caps

The annual caps in respect of the services provided under the 2022 First Master Property Management Agreement for the years ended 31 December 2022, 2023 and 2024 are RMB24.8 million, RMB26.8 million and RMB26.8 million, respectively.

For each of the years ended 31 December 2022, 2023 and the eleven months ended 30 November 2024, the total revenue generated by the Group for providing the property management services to the Yincheng Real Estate Group was approximately RMB23.4 million, RMB15.9 million and RMB13.2 million, respectively.

Proposed First Property Management Annual Cap and basis of determination

For the year ending 31 December		
2025	2026	2027
	<i>RMB'000</i>	
9,100	7,000	4,900

The proposed annual caps in respect of the services to be provided under the 2025 First Master Property Management Agreement for the years ended 31 December 2025, 2026 and 2027 are RMB9.1 million, RMB7.0 million and RMB4.9 million, respectively.

In arriving at the Proposed First Property Management Annual Cap, the Directors have considered the following factors:

- (i) the historical transaction amounts during the years ended 31 December 2022, 2023 and the eleven months ended 30 November 2024;
- (ii) the number of properties developed and owned by the Yincheng Real Estate Group and the estimated type, scale and service fees of the services that may be required by the Yincheng Real Estate Group for the three years ending 31 December 2027;
- (iii) due to the challenging market conditions in the real estate industry, the actual services required by Yincheng Real Estate Group during the years ended 31 December 2022, 2023 and the eleven months ended 30 November 2024 were much lower than anticipated, and it is expected that the demand will continue to decrease as the number of properties to be managed by the Group as well as the estimated scale of services that may be required by the Yincheng Real Estate Group for the three years ending 31 December 2027 are expected to decrease; and
- (iv) the prevailing market rate for the provision of services of similar scope and quality.

Listing Rule Implications

As at the date of this announcement, Yincheng Real Estate is beneficially owned as to approximately 53.11% by Mr. Huang, a non-executive Director and a controlling shareholder of the Company. Yincheng Real Estate is an associate of Mr. Huang and a connected person of the Company. The entering into of the 2025 First Master Property Management Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed First Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 First Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(II) 2025 SECOND MASTER PROPERTY MANAGEMENT AGREEMENT

The major terms of the 2025 Second Master Property Management Agreement are as follows:-

- Date : 31 December 2024
- Term : From 1 January 2025 to 31 December 2027 (both days inclusive)
- Parties : (1) the Company (for itself and on behalf of its subsidiaries)
(2) Yincheng International (for itself and on behalf of its subsidiaries)
- Services : The Group agreed to provide the following property services to the Yincheng International:
- (i) property management services, including but not limited to cleaning, gardening, waste disposal, parking, traffic, vacant property management and security management services;
 - (ii) professional services, including but not limited to facility installation, maintenance and renovation services and catering services; and
 - (iii) value-added services, including but not limited to the rental of venue and parking spaces, and event management.
- Service Targets : The property services shall be provided in respect of:
- (i) both sold and unsold property units prior to the agreed delivery date set out in the property purchase contract for projects developed or owned by the Yincheng International Group. Such properties include residential and non-residential properties; and
 - (ii) the common area and facilities of such properties, and other related sites such as sales offices, parking spaces and storage rooms; and

Relevant subsidiaries of both parties will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2025 Second Master Property Management Agreement.

Pricing policy

The service fees to be charged for the provision of property services shall be determined by the contract parties after arm's length negotiations at the time of entry into the relevant agreements with reference to:

- (i) the location of the properties; and
- (ii) the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees charged for similar services and similar types of projects in the market, and the expected increase in costs caused by external factors such as inflation and socio-economics development;

The services fees to be charged shall be fair and reasonable, in line with the prevailing market rate for such property services, and not higher than the standard fees as set by the relevant regulatory authorities in the PRC (if applicable).

Reasons for and benefits of the 2025 Second Master Property Management Agreement

With the continuous demand for the Group's property management services by the Yincheng International Group, such transactions between the Group and the Yincheng International Group are expected to continue.

Based on the historical transaction amount under the 2022 Second Master Property Management Agreement and the estimated demand for the Group's services by the Yincheng International Group under the 2025 Second Master Property Management Agreement, it is expected that the 2025 Second Master Property Management Agreement will contribute to a stable revenue stream to the Group.

Annual caps

Historical transaction values and annual caps

The annual caps in respect of the services provided under the 2022 Second Master Property Management Agreement for the years ended 31 December 2022, 2023 and 2024 are RMB126.9 million, RMB151.8 million and RMB148.5 million, respectively.

For each of the years ended 31 December 2022 and 2023 and the eleven months ended 30 November 2024, the total revenue generated by the Group for providing the property management services to the Yincheng International Group was approximately RMB85.6 million, RMB10.8 million and RMB5.8 million, respectively.

Proposed Second Property Management Annual Cap and basis of determination

The proposed annual caps in respect of the services provided under the 2025 Second Master Property Management Agreement for the years ended 31 December 2025, 2026 and 2027 are RMB5.0 million, RMB4.1 million and RMB3.4 million, respectively.

For the year ending 31 December		
2025	2026	2027
	<i>RMB'000</i>	
5,000	4,100	3,400

In arriving at the Proposed Second Property Management Annual Cap, the Directors have considered the following factors:

- (i) the historical transaction amounts during the years ended 31 December 2022, 2023 and the eleven months ended 30 November 2024;
- (ii) the number of properties developed and owned by the Yincheng International Group and the estimated type, scale and service fees of the services that may be required by the Yincheng International Group for the three years ending 31 December 2027;
- (iii) due to the challenging market conditions in the real estate industry, the actual services required by the Yincheng International Group during the years ended 31 December 2022, 2023 and the eleven months ended 30 November 2024 were much lower than anticipated, and it is expected that the demand for the Group's services will continue to decrease as the number of properties of the Yincheng International Group to be managed by the Group as well the estimated scale of services that may be required for the three years ending 31 December 2027 are expected to decrease; and
- (iv) the prevailing market rate for the provision of services of similar scope and quality.

Listing Rule Implications

As at the date of this announcement, Yincheng International is indirectly owned as to approximately 37.26% by Mr. Huang, a non-executive Director and a controlling shareholder of the Company. Yincheng International is an associate of Mr. Huang and a connected person of the Company. The entering into of the 2025 Second Master Property Management Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed Second Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 Second Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2025 RUIHUA MASTER PROPERTY MANAGEMENT AGREEMENT

The major terms of the 2025 Ruihua Master Property Management Agreement are as follows:-

- Date : 31 December 2024
- Term : From 1 January 2025 to 31 December 2027 (both days inclusive)
- Parties : (1) the Company (for itself and on behalf of its subsidiaries)
- (2) Jiangsu Ruihua (for itself and on behalf of its subsidiaries)
- Services : The Group agreed to provide the following property services to the Jiangsu Ruihua:
- (i) property management services, including but not limited to environmental sanitation and public order management, parking lot management, maintenance of common areas and facilities, public greenery care, waste disposal and emergency services;
- (ii) professional services, including but not limited to facility installation, maintenance and renovation services; and
- (iii) value-added services, including but not limited to concierge services.
- Service Targets : The property services shall be provided in respect of:
- (i) All office parks, office spaces, and related buildings owned or rented by Jiangsu Ruihua, including the Jiangsu Ruihua Creative Park* (江蘇瑞華創投園); and
- (ii) the common area and facilities of such properties.

The relevant subsidiaries of the Group and Jiangsu Ruihua will enter into separate agreements in relation to the services required, the terms of which shall be in accordance with the 2025 Ruihua Master Property Management Agreement.

Pricing policy

The service fees to be charged for the provision of property services shall be determined by the contract parties after arm's length negotiations at the time of entry into the relevant agreements with reference to:

- (i) the location of the properties; and
- (ii) the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees charged for similar services and similar types of projects in the market, and the expected increase in costs caused by external factors such as inflation and socio-economics development;

The services fees to be charged shall be fair and reasonable, in line with the prevailing market rate for such property services, and not higher than the standard fees as set by the relevant regulatory authorities in the PRC (if applicable).

Reasons for and benefits of the 2025 Ruihua Master Property Management Agreement

The Group has been providing property management services to the Jiangsu Ruihua Group since May 2017. With the regular and continuing demand in property management services by the Jiangsu Ruihua Group, the Board considers it appropriate to streamline such transactions between the Group and the Jiangsu Ruihua Group under the 2025 Ruihua Master Property Management Agreement. It provides a single basis on which the Company will comply with the reporting, announcement and independent shareholders' approval requirements, if applicable, in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company. The Directors also believe that it is in the interests of the Company to enter into the 2025 Ruihua Master Property Management Agreement so that the Group may regulate the existing and future property services agreements with the Jiangsu Ruihua Group under a common framework agreement.

In addition, the Group has been providing property management services to the Jiangsu Ruihua Group for over seven years, accordingly, the Group is familiar with the requirements and standards as expected from the Jiangsu Ruihua Group. It is therefore believed that the continuous cooperation between the Group and the Jiangsu Ruihua Group can foster growth of the Group in a cost-effective manner as the Group will be able to respond to the various requests of the Jiangsu Ruihua Group effectively.

Annual caps

Historical transaction values

For the two years ended 31 December 2023 and the eleven months ended 30 November 2024, the total revenue generated by the Group for providing the property management services to the Jiangsu Ruihua Group was approximately RMB3.1million, RMB3.1 million and RMB2.9 million, respectively.

Proposed Ruihua Property Management Annual Cap and basis of determination

The proposed annual caps in respect of the services provided under the 2025 Ruihua Master Property Management Agreement for the years ending 31 December 2025, 2026 and 2027 are RMB4.0 million, RMB4.4 million and RMB4.8 million, respectively.

2025	For the year ending 31 December		2027
	2026		
	<i>RMB'000</i>		
4,000	4,400		4,840

In arriving at the Proposed Ruihua Property Management Annual Cap, the Directors have considered the following factors:

- (i) the historical transaction amounts during the two years ended 31 December 2023 and the eleven months ended 30 November 2024;
- (ii) the number of properties and the estimate gross floor area of such properties from the Jiangsu Ruihua Group to be managed, and the service scale to be provided by the Group for the three years ending 31 December 2027; and
- (iii) the prevailing market rate (including any inflation) for the provision of services of similar scope and quality.

Listing Rule Implications

As at the date of this announcement, the Company is indirectly owned as to 27.98% by Jiangsu Ruihua. Jiangsu Ruihua is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. Hence the entering into of the 2025 Ruihua Master Property Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) calculated with reference to the Proposed Ruihua Property Management Annual Cap exceed 0.1% but are all less than 5%, the transactions contemplated under the 2025 Ruihua Master Property Management Agreement is subject to the reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

To ensure that the fees to be charged are on normal commercial terms that are no less favourable to the Group, the Group has adopted the following measures to review and assess whether the individual transactions will be conducted in accordance with the respective pricing policy of each of the 2025 Framework Agreements:

- (1) the relevant personnel from the business department and finance department will closely monitor the transactions to ensure that the transaction amounts do not exceed the Proposed New Annual Caps and will report his/her findings on a regular basis;
- (2) the entering into and implementation of individual contracts shall be subject to appropriate approval of the management;
- (3) the management will conduct regular reviews of prices charged towards Independent Third Parties and to keep abreast with the prevailing fee level in the market and the market conditions in assessing whether the fees charged for a specific transaction is fair and reasonable;
- (4) the auditors of the Company shall conduct annual reviews on the pricing to ensure that the transaction amount is within the Proposed New Annual Caps and the transactions are conducted on the principal terms of the respective 2025 Framework Agreements; and
- (5) the independent non-executive Directors shall review the management's reports on the transactions under the respective 2025 Framework Agreements.

THE DIRECTORS' VIEWS

Mr. Huang is a chairman, non-executive director and controlling shareholder of Yincheng International, and a chairman, director and holds 53.11% of shares of Yincheng Real Estate. Mr. Xie is a non-executive director and holds 5.51% of shares of Yincheng International and a director, executive president and holds 8.01% of shares of Yincheng Real Estate. Mr. Zhu is a non-executive director of Yincheng International and holds 2.56% of its issued share capital, he also holds 3.71% of the shares of Yincheng Real Estate. Each of Mr. Yao, Mr. Pan and Ms. Zhang is a member of the senior management of Jiangsu Ruihua. Accordingly, (i) Mr. Huang, Mr. Xie and Mr. Zhu have abstained from voting on the Board resolutions in connection with the 2025 First Master Property Management Agreement and the 2025 Second Master Property Management Agreement; and (ii) Mr. Yao, Mr. Pan and Ms. Zhang have abstained from voting on the Board resolutions in connection with the 2025 Ruihua Master Property Management Agreement to avoid actual or perceived conflict of interests. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the other Directors have material interest in the transactions contemplated under the 2025 Framework Agreements.

The Directors (including the independent non-executive Directors but excluding Mr. Huang, Mr. Xie and Mr. Zhu) consider that the 2025 First Master Property Management Agreement and the 2025 Second Master Property Management Agreement are conducted in the ordinary and usual course of business, and the terms and the Proposed First Property Management Annual Cap and Proposed Second Property Management Annual Cap are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Directors (including the independent non-executive Directors but excluding Mr. Yao, Mr. Pan and Ms. Zhang) consider the 2025 Ruihua Master Property Management Agreement is conducted in the ordinary and usual course of business, and the terms and the Proposed Ruihua Property Management Annual Cap are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Having considered that the Company has (1) reporting and approval procedures in place to ensure that the fees charged and the terms of continuing connected transactions are in compliance with the pricing policy and no less favourable to the relevant member(s) of the Group than those available to Independent Third Parties; and (2) procedures and policies for identifying connected persons and monitoring the annual caps of the continuing connected transactions, the Directors are of the view that appropriate internal control measures are in place to ensure the continuing connected transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

PAST NON-COMPLIANCE WITH CHAPTER 14A OF THE LISTING RULES

It has recently come to the Company's attention that the aggregated transaction amounts of the 2022 Jiangsu Ruihua Transactions and the 2023 Jiangsu Ruihua Transactions each amounted to RMB3.1 million (approximately HKD3.3 million). As at the date of this announcement, the aggregated transaction amounts of the 2024 Jiangsu Ruihua Transactions has also just exceeded HKD3 million.

As the aggregated transaction amounts of each of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions exceeded HKD3 million, respectively, and the applicable percentage ratios for each of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions exceeded 0.1% but all of them were less than 5% at the material time, such transactions were subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

However, due to inadvertent oversight, the Company failed to comply with the relevant requirements for continuing connected transactions under Chapter 14A of the Listing Rules in a timely manner.

The Company has carried out a detailed review of the terms and conditions of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions and the Directors (excluding Mr. Yao, Mr. Pan and Ms. Zhang) have confirmed that the historical continuing connected transactions with the Jiangsu Ruihua Group have been entered into: (a) in the ordinary and usual course of business of the Company; (b) on normal commercial terms or better; and (c) on terms that are fair and reasonable and in the interests of the Company and the Company's shareholders as a whole.

The price of the services provided in respect of the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions were determined based on the following: (i) the location of the managed properties; (ii) the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees charged for similar services and similar types of projects in the market; and (iii) the standard fees as set by the relevant regulatory authorities in the PRC (if applicable).

As (i) the Jiangsu Ruihua Group was in need of property management services and the Group was experienced in providing such services and (ii) the Group has been providing such services to the Jiangsu Ruihua Group since 2017 and were familiar with their requirements, the Company considers that the 2022 Jiangsu Ruihua Transactions, the 2023 Jiangsu Ruihua Transactions and the 2024 Jiangsu Ruihua Transactions were mutually beneficial to the Group and the Jiangsu Ruihua Group based on their commercial needs.

REMEDIAL MEASURES

To further strengthen the Group's internal control and prevent the recurrence of similar non-compliance incidents in the future and to comply with the requirements under the Listing Rules on an on-going basis, the Company has implemented/will implement the following remedial actions with immediate effect:

- (1) The Company has entered into the 2025 Ruihua Master Property Management Agreement to govern the property services transactions with the Jiangsu Ruihua Group under a common framework in order to facilitate the monitoring and compliance with the relevant requirements under the Listing Rules.
- (2) The Company has reminded and will consistently remind the senior management and responsible staff within the Group to remain strictly vigilant regarding any circumstances that may trigger the Company's disclosure obligations under the Listing Rules, aiming to identify potential issues at an early stage and mitigating the risk of a recurrence of the incident.
- (3) The Company will provide the members of the Board, the senior management and/or responsible staff of the Group with appropriate trainings with the aim to enhance their existing knowledge with a specific focus on connected transactions under Chapter 14A of the Listing Rules and refine their ability to identify potential issues at an early stage.
- (4) To prevent similar non-compliance from occurring, the management of the Company undertakes to take steps to strengthen the internal controls over the procedures for all transactions under Chapter 14A of the Listing Rules. The Company will also conduct an annual review of the existing reporting procedures concerning the monitoring of connected transactions under Chapter 14A of the Listing Rules on an annual basis. External professional parties will be consulted during this review process, if necessary.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange. The Group is an established property management service provider in the PRC with over 23 years of industry experience in providing property management services and community value-added services. The Company's business covers a wide spectrum of properties, including residential properties and eleven types of non-residential properties, namely government facilities, financial institutions, property sales offices, medical institutions, commercial complex, parks, transportation facilities, industrial parks, mixed-use properties, schools and office buildings.

Yincheng International

Yincheng International is a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange. Yincheng International Group is an established property developer in the PRC focusing on developing quality residential properties in the Yangtze River Delta Megalopolis for customers of all ages. The Yincheng International Group commenced property development operations in Nanjing and successfully expanded its footprint to other cities in the Yangtze River Delta Megalopolis, including Nanjing, Wuxi, Hefei, Suzhou, Hangzhou, Zhenjiang, Xuzhou, Taizhou, Wenzhou and Huai'an.

Yincheng Real Estate

Yincheng Real Estate is a joint stock company established under the laws of the PRC with limited liability. Yincheng Real Estate Group primarily engages in management and operations of long-term rental apartments, commercial properties, elderly care homes and hotels. It is ultimately held as to approximately 53.11%, 19.26%, 8.01%, 5.32%, 5.11%, 4.11%, 3.71% and 1.37% by Mr. Huang, Mr. Dai Chengshu, Mr. Xie, Mr. Zhu Linnan, Mr. Zhu Linbin, Mr. Ma Baohua, Mr. Zhu and Ms. Cao Lian, respectively.

Jiangsu Ruihua

Jiangsu Ruihua is a company incorporated under the laws of the PRC with limited liability. Jiangsu Ruihua Group is a well-recognised large scale integrated asset management group in the PRC and principally engages in investments in the securities market, direct equity investments, private investment in public equity and investments in financial futures and derivatives. It is ultimately held as to approximately 98.82% by Mr Zhang Jianbin and 1.18% collectively by other six independent individuals, respectively.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“2022 First Master Property Management Agreement”	the framework agreement dated 11 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries) and Yincheng Real Estate (for itself and on behalf of its subsidiaries) in relation to the provision of repair and maintenance services provided by the Group to properties developed by the Yincheng Real Estate Group for a term of three years from 1 January 2022 to 31 December 2024
“2022 Second Master Property Management Agreement”	the framework agreement dated 11 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries) and Yincheng International (for itself and on behalf of its subsidiaries) in relation to the provision of property management services by the Group to the Yincheng International Group for a term of three years from 1 January 2022 to 31 December 2024
“2025 First Master Property Management Agreement”	the framework agreement dated 31 December 2024 entered into between the Company (for itself and on behalf of its subsidiaries) and Yincheng Real Estate (for itself and on behalf of its subsidiaries) in relation to the provision of property management services provided by the Group to properties developed by the Yincheng Real Estate Group for a term of three years from 1 January 2025 to 31 December 2027
“2022 Jiangsu Ruihua Transactions”	the provision of property management services by the Group to the Jiangsu Ruihua Group for the year ended 31 December 2022
“2023 Jiangsu Ruihua Transactions”	the provision of property management services by the Group to the Jiangsu Ruihua Group for the year ended 31 December 2023
“2024 Jiangsu Ruihua Transactions”	the provision of property management services by the Group to the Jiangsu Ruihua Group during the period from 1 January 2024 to the date of this announcement

“2025 Second Master Property Management Agreement”	the framework agreement dated 31 December 2024 entered into between the Company (for itself and on behalf of its subsidiaries) and Yincheng International (for itself and on behalf of its subsidiaries) in relation to the provision of property management services by the Group to the Yincheng International Group for a term of three years from 1 January 2025 to 31 December 2027
“2025 Ruihua Master Property Management Agreement”	the framework agreement dated 31 December 2024 entered into between the Company (for itself and on behalf of its subsidiaries) and Jiangsu Ruihua (for itself and on behalf of its subsidiaries) in relation to the provision of property management services by the Group to Jiangsu Ruihua for a term of three years from 1 January 2025 to 31 December 2027
“2025 Framework Agreements”	collectively the 2025 First Master Property Management Framework Agreement, the 2025 Second Master Property Management Framework Agreement and the 2025 Ruihua Master Property Management Agreement
“Board”	the board of Directors
“Company”	Ruisen Life Service Co, Limited (瑞森生活服務有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Framework Agreements”	collectively the 2022 First Master Property Management Agreement and 2022 Second Master Property Management Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person who, as far as our Directors are aware after having made all reasonable enquiries, is not a connected person of our Company

“Jiangsu Ruihua”	Jiangsu Ruihua Investment Holding Group Company Limited* (江蘇瑞華投資控股集團有限公司), a company incorporated under the laws of the PRC with limited liability, a substantial shareholder of the Company
“Jiangsu Ruihua Group”	Jiangsu Ruihua and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Qingpin (黃清平), a non-executive Director and a controlling shareholder of the Company
“Mr. Pan”	Mr. Pan Xiaohu (潘曉虎), an executive Director
“Mr. Xie”	Mr. Xie Chenguan (謝晨光), the chairman of the Company and executive Director
“Mr. Yao”	Mr. Yao Ning (姚寧), a non-executive Director
“Ms. Zhang”	Ms. Zhang Mingming (張明明), a non-executive Director
“Mr. Zhu”	Mr. Zhu Li (朱力), a non-executive Director
“percentage ratios”	has the meaning ascribed to it in the Listing Rules
“Proposed New Annual Caps”	the Proposed First Property Management Annual Cap, the Proposed Second Property Management Annual Cap and the Proposed Ruihua Property Management Annual Cap
“Proposed First Property Management Annual Cap”	the maximum aggregate annual value projected for the three years ending 31 December 2027 in respect of the service fees payable by the Yincheng Real Estate Group to the Group pursuant to the 2025 First Master Property Management Agreement
“Proposed Second Property Management Annual Cap”	the maximum aggregate annual value projected for the three years ending 31 December 2027 in respect of the service fees payable by the Yincheng International Group to the Group pursuant to the 2025 Second Master Property Management Agreement
“Proposed Ruihua Property Management Annual Cap”	the maximum aggregate annual value projected for the three years ending 31 December 2027 in respect of the service fees payable by the Jiangsu Ruihua Group to the Group pursuant to the 2025 Ruihua Master Property Management Agreement

“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Yincheng International”	Yincheng International Holding Co., Ltd. (銀城國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 January 2018 and the shares in which are listed on the Main Board (stock code: 1902)
“Yincheng International Group”	Yincheng International and its subsidiaries
“Yincheng Real Estate”	Yincheng Real Estate Group Co., Ltd.* (銀城地產集團股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability
“Yincheng Real Estate Group”	Yincheng Real Estate and its subsidiaries (excluding any member of the Group)
“%”	per cent.

By order of the Board
Ruisen Life Service Co, Limited
XIE Chenguang
Chairman

Hong Kong, 31 December 2024

As at the date of this announcement, the executive Directors are Mr. Xie Chenguang and Mr. Pan Xiaohu; the non-executive Directors are Mr. Huang Qingping, Mr. Yao Ning, Ms. Zhang Mingming and Mr. Zhu Li; and the independent non-executive Directors are Mr. Chow Siu Hang, Mr. Li Yougen and Mr. Mao Ning.

* for identification purposes only