



**Lushang Life Services Co., Ltd.**  
**魯商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: 2376)**

*Executive Directors*

Mr. WANG Zhongwu (Chairman)  
Mr. NING Daoju  
Mr. SHAO Meng

*Non-executive Directors*

Ms. LUO Ye  
Ms. LI Han

*Independent non-executive Directors*

Ms. LEUNG Bik San  
Ms. CHEN Xiaojing  
Mr. MA Tao

*Registered office and  
headquarters in the PRC*  
Room 202, Block 2  
Lushang Guo'ao City  
No. 9777 Jingshi Road  
Lixia District, Jinan  
Shandong, the PRC

*Principal place of business in Hong Kong*  
40/F, Dah Sing Financial Centre  
248 Queen's Road East,  
Wanchai  
Hong Kong

May 30, 2025

*To the Shareholders*

Dear Sir/Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
CAPITAL INCREASE AND DEEMED DISPOSAL  
OF EQUITY INTEREST IN A SUBSIDIARY  
AND  
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Company's announcement dated March 21, 2025 in relation to, amongst other things, the Capital Increase Agreement and the Capital Increase.

The purposes of this circular are to provide you with, among other things, (i) further details of the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Capital Increase; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase; (iv) notice of the EGM; and (v) other information as required under the Listing Rules. In the EGM, such necessary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder.

## **THE CAPITAL INCREASE**

On March 21, 2025 (after trading hours of the Stock Exchange), the Company entered into the Capital Increase Agreement with the Investor and the Target Company, pursuant to which the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

## **THE CAPITAL INCREASE AGREEMENT**

The principal terms and conditions of the Capital Increase Agreement are set out as follows:

### **Date**

March 21, 2025 (after trading hours of the Stock Exchange)

### **Parties to the Capital Increase Agreement**

- (1) The Company;
- (2) The Investor; and
- (3) The Target Company.

### **Subject Matter**

Pursuant to the Capital Increase Agreement, the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group's accounts. The Target Company will be accounted for an associate of the Company.

#### **Capital Contribution Sum and Payment Terms**

The Investor shall pay the Capital Contribution Sum in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) by way of cash contribution to the Target Company within ten (10) Working Days upon fulfillment of the Conditions Precedent.

#### **Basis of the Capital Contribution Sum and Valuation of the Target Company**

The Capital Contribution Sum was arrived at after arm's length negotiations among the parties to the Capital Increase Agreement with reference to:

- (i) the appraised net asset value of the Target Company as at the Valuation Benchmark Date in the amount of approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00) in the Valuation Report issued by the Independent Valuer; and
- (ii) the benefits to be derived by the Group from the Capital Increase as stipulated in the section headed "Reasons for and benefits of the Capital Increase" below.

In order to assess the fairness and reasonableness of the Consideration, the Independent Valuer has been engaged for the Valuation of the equity interest in the Target Company.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, it is not aware of any relationships or interests between the Independent Valuer and any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Independent Valuer. Apart from normal professional fees payable to the Independent Valuer in connection with the Valuation of the equity interest in the Target Company, no arrangement exists whereby the Independent Valuer will receive any fees or benefits from any members of the Group, or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates, and it is not aware of the existence of or change in any circumstances that would affect their independence. The Independent Valuer has confirmed to the Company of their independence. Accordingly, the Directors considered that the Independent Valuer are eligible to independently perform the Valuation.

The Directors have assessed the qualification and experience of the Independent Valuer and those of the signors for the Valuation Report; and have understood that the Independent Valuer specialises in the provision of valuation and advisory services in relation to different types of assets, the Directors consider that the Independent Valuer being qualified, experienced and competent in performing the Valuation regarding the equity interest in the Target Company.

Under the Valuation conducted by the Independent Valuer, the appraised net asset value of the Target Company as at the Valuation Benchmark Date in the amount of approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00) was arrived at with adoption of the asset-based approach, which was considered the most appropriate approach for the valuation of the Target Company after taking into account of the following reasons:

- (i) Market Approach: Market approach has not been adopted because such adoption of the market approach to conduct valuation requires an active and open market with sufficient and accessible statistics in relation to such market in order to provide market comparable cases. It is understandably hard to obtain market comparable as the Target Company is not a listed company. Those listed companies engaging in similar businesses do not have comparable corporate structure, operational risks, financial risks and financial statistics, and there are only a few cases regarding the merger and acquisition of non-listed companies engaging in similar businesses, leading to hardship to receive relevant and reliable comparable cases regarding operations.
- (ii) Income Approach: Income approach has not been adopted. The adoption of such approach in a valuation is based on the expected income of such asset under appraisal in reflection of the size of the operating capacity (i.e. the profitability) of the target asset. The Target Company is principally engaged in real estate greening projects and garden greening maintenance and its primary income sources stem from the associates of Shandong Commercial, and therefore the revenue and profit will be affected by the Shandong Commercial's coordination on different greening projects; and last but not least, global economy was still struggling from the global trade and political tensions. The above factors reflected that if the income approach was adopted, there will be uncertainty in appraisal.

- (iii) Asset-based Approach: The adoption of the asset-based approach in valuation takes the replacement cost of assets as the value standard, reflecting the fair market value of the entire equity interest in the Target Company from the perspective of asset replacement, which was determined based on the balance sheet of the Target Company as at the Valuation Benchmark Date by assessing the value of each of the identifiable assets and liabilities including current assets (such as cash and cash equivalents, account receivables and contractual assets) and deferred income tax assets. The conclusion can relatively accurately reflect the fair market value of the entire equity interest in the Target Company. Considering the above, the asset-based approach was adopted.

A summary of the Valuation Report is set out in Appendix I to this circular, which includes, *inter alia*, the reasons for the adoption of the asset-based approach adopted by the Independent Valuer, the scope of the valuation and the valuation results.

In view of the Valuation Report, and taking into account that (i) the Valuation Report was prepared in compliance with PRC valuation procedures, standards, laws and regulations by the Independent Valuer and the Independent Valuer has had the necessary qualification as members of the China Appraisal Society and the individual appraisers participated in this case (i.e. signors for the Valuation Report) have more than five (5) years of valuation-related experiences; (ii) the Independent Valuer had reviewed relevant financial information, operational information and other data relevant to the Target Company (such as the registrations, legal documents, permits and licenses) prior to its conclusion of the above appraised value; and (iii) the reasons for the adoption of the asset-based approach for the Valuation and the unsuitability of other approaches, the methodologies and assumptions adopted by the Independent Valuer which are reasonable and common for this type of valuation, the scope of the Valuation and the Valuation results, the Directors (including members of the Independent Board Committee whose views have been set out in the section headed “**Letter from the Independent Board Committee**” of this circular after taking into consideration of the advice from Independent Financial Adviser but excluding Mr. Wang Zhongwu who abstained from voting at the Board meeting in respect of the resolutions approving the Capital Increase due to his material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder), consider that the results of the Valuation reflected the value of the equity interest in the Target Company and are fair and reasonable, and that the Capital Contribution Sum determined based on the valuation results is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## Conditions Precedent

The completion of the transactions contemplated under the Capital Increase Agreement is conditional upon, among other things, the fulfilment or waiver (as the case may be) of the following conditions following the execution of the Capital Increase Agreement:

- A. the Company, the Investor and the Target Company have respectively made valid decisions to approve the execution and the performance of the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder and obtained the authorisation document from the relevant state-owned assets supervision and administration department or its authorised bodies;
- B. the Company, the Investor and the Target Company have respectively executed and delivered all documents in relation to the Capital Increase, including but not limited to the Capital Increase Agreement, the amended articles of association of the Target Company and resolutions of their respective shareholders;
- C. the pre-emptive right, option for purchase, etc. of the Company or any third party in connection with the Capital Increase have been duly waived in writing;
- D. the absence of laws, regulations, judgments, rulings, orders or injunctions of the courts or relevant government authorities which would restrict, prohibit or repeal the Capital Increase;
- E. the necessary internal and external approval(s) to the Investor's execution and performance of the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder having been obtained, including but not limited to the approvals from Shandong Commercial, the relevant state-owned assets supervision and administration department or its authorised bodies;
- F. the approvals to the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder from the Independent Shareholders at the EGM to be convened having been obtained from the Independent Shareholders; and
- G. all necessary approvals of the Stock Exchange in connection with the transactions contemplated under the Capital Increase Agreement having been obtained.

The Conditions Precedent stipulated above cannot be waived, and in the event that any of the Conditions Precedent has not been satisfied on or before the Long Stop Date (subject to the extension of which as agreed in writing by the parties to the Capital Increase Agreement), the Capital Increase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the Capital Increase Agreement save and except for rights and remedies available to the non-defaulting party in relation to any breach prior to termination.

As at the Latest Practicable Date, save and except for the Conditions Precedent set out under sub-paragraph (F) above, all other Conditions Precedent have been fulfilled.

### **Completion**

Completion shall take place on the Completion Date, which shall be within ten (10) Working Days after the fulfillment of the Conditions Precedent.

### **Registration of Change**

Within ten (10) Working Days after the Completion Date, the Investor shall have the right to request the Target Company to complete and fulfill all Registration of Change.

### **Arrangement during Transition**

Upon the Capital Contribution Sum being paid in full and the Investor being entered into the register of members of the Target Company, any interest in the Target Company, together with any undistributed profits of the Target Company prior to the completion of the Registration of Change, shall be proportionally enjoyed by the Company and the Investor in accordance with their respective shareholding in the Target Company upon Completion.

## **INFORMATION OF THE COMPANY AND THE GROUP**

The Company is an investment holding, joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of the Stock Exchange (stock code: 2376).

The Group is principally engaged in the provision of (i) a wide range of property management services for property developers, property owners, residents and tenants; (ii) wide spectrum of value-added services to non-property owners covering various stages of the property development and delivery process; and (iii) community value-added services with the aim to improve property owners' and residents' quality of life.

## INFORMATION OF THE INVESTOR

The Investor is a company established in the PRC with limited liability and is principally engaged in property development and construction. It is a direct wholly-owned subsidiary of Shandong Urban and Rural which is an investment holding company established in the PRC with limited liability and a direct wholly-owned subsidiary of Shandong Commercial, a controlling Shareholder which indirectly holds 100,000,000 Domestic Shares, representing approximately 75.00% of the Company's entire issued share capital. Amongst the shareholding of Domestic Shares contemplated above, Green Development, a wholly-owned subsidiary of Shandong Urban and Rural, holds 4,900,000 Domestic Shares, representing approximately 3.67% of the Company's entire issued share capital.

## INFORMATION OF THE TARGET COMPANY

The Target Company, a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date and immediately prior to Completion, is a company incorporated in the PRC with limited liability on December 11, 2008 with a registered capital of RMB20,000,000.00.

It is principally engaged in real estate greening projects and garden greening maintenance.

### Financial information of the Target Company

The audited consolidated financial information of Target Company for the three years ended December 31, 2022, 2023 and 2024 and for the period from January 1, 2024 to August 31, 2024 prepared in accordance with the China Accounting Standards for Business Enterprises are as follows:

	For the year ended December 31, 2024 (audited) (RMB)	For the period ended August 31, 2024 (audited) (RMB)	For the year ended December 31, 2023 (audited) (RMB)	For the year ended December 31, 2022 (audited) (RMB)
Revenue	56,578,788.19	40,802,445.36	57,804,955.61	78,622,653.91
Profit/(loss) before tax	1,383,770.95	380,984.15	4,198,907.94	6,363,392.02
Profit/(loss) after tax	1,007,565.27	262,964.08	3,540,971.58	4,749,287.09

As at August 31, 2024 and December 31, 2024, the audited net asset value of the Target Company was RMB34,866,617.25 (equivalent to approximately HK\$37,490,986.00) and RMB35,703,901.27 (equivalent to approximately HK\$38,391,292.00), respectively, and according to the Valuation Report, the appraised net asset value of the Target Company was approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00).



## FINANCIAL EFFECTS OF THE CAPITAL INCREASE

Immediately prior to Completion, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group's accounts. The Target Company will be accounted for an associate of the Company.

The relevant transaction costs and expenses in respect of the Capital Increase is estimated at approximately RMB190,500.00 (equivalent to approximately HK\$204,839.00). The balance of the investment in associate for the Target Company to be recognised by the Company following the Capital Increase is estimated at approximately RMB34,881,400.00 (equivalent to approximately HK\$37,506,882.00).

The Capital Increase will result in a 51% decrease in the Company's interest in the Target Company. As the Investor invests in the Target Company as a result of the Capital Increase, it is expected that the Capital Increase will give rise to an unaudited gain of approximately RMB15,098,400.00 (equivalent to approximately HK\$16,234,890.00) (before deduction of the abovementioned transaction costs and expenses) to the Company. Such estimated unaudited gain is calculated based on the following two items:

- (a) the difference between (i) the Group's share of the increment of net assets in the Target Company by the new shareholding percentage after the Target Company's new share issuance upon the Capital Increase and (ii) the pro-rata portion of original carrying amount of long term equity investment for the Group's decreased shareholding percentage in the Target Company; and
- (b) the remaining equity interest shall be accounted for by the equity method, recognising the Company's proportionate share of changes in the carrying amount of the Target Company's net assets from the date of initial investment to the date of partial disposal.

It should be noted that the actual gain recognised in the Group's consolidated financial statements will be recalculated based on the net asset value of the Company as at the date of Completion, and therefore it may differ from the amount stated above. The actual financial effect shall be further audited by the Auditor.

The expected net proceeds of approximately RMB36,129,500.00 (equivalent to approximately HK\$38,848,925.00) to be received from the Capital Increase will be used to strengthen the general working capital of the Target Company and actively promote the transformation of its businesses into high-growth sectors like municipal engineering, ecological restoration and vertical greening with exploration of synergistic scenarios with the Group's existing businesses without utilizing further resources of the Group to finance the Target Company.

## REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Group is principally engaged in the provision of (i) a wide range of property management services for property developers, property owners, residents and tenants; (ii) wide spectrum of value-added services to non-property owners covering various stages of the property development and delivery process; and (iii) community value-added services with the aim to improve property owners' and residents' quality of life.

Meanwhile, the Target Company is principally engaged in real estate greening projects and garden greening maintenance.

With the national policy emphasizing on green development, the landscape industry is shifting from "scale expansion" to "quality improvement" and the profitability of traditional greening projects decline as a result of the decrease in the incremental volume of real estate. There is a mismatch between the existing business structure (relying on traditional real estate and landscape projects) of the Target Company and the long-term trend, resulting in the urgent demand for the Target Company to transform its businesses through asset restructuring.

The Investor was established in September 1992 with a registered capital of RMB50,000,000, which was wholly owned by Shandong Urban and Rural. As of December 31, 2023, its assets, liabilities and net assets amounted to RMB113,548,100, RMB95,958,800 and RMB17,589,300, respectively. The Investor has a forward-looking construction management service team. In 2012, it spearheaded its construction business in the province, which was the leader of construction business in the province. It has created numerous premium cases for the government and platform companies in terms of property construction and operation services, such as schools, hospitals, commercial complexes, office buildings, stadiums and residential buildings, with the accumulated construction management area amounting to approximately 2,900,000 square meters, thereby accumulating extensive experience in full-process project management services.

As the Investor has abundant resources in landscape and gardening projects with diversified portfolios, the competitiveness of the Target Company among the landscaping industry would be strengthened, its scope of business will be substantially expanded and it is expected that the expansion into municipal construction projects would generate substantial revenue stream to the Target Company. Given that upon Completion, the Target Company will be an associate of the Group and continue to serve as an important part of the Group's investment. Although the Group no longer holds a controlling stake in the Target Company, it will assist the Investor in introducing strategic investors or new shareholders, promoting the transformation of businesses of the Target Company into high-growth sectors like municipal engineering, ecological restoration and vertical greening, as well as exploring synergistic scenarios (such as cooperation in community greening operation and maintenance) with the Group's existing businesses. The return of the Group's investment in the Target Company will be enhanced without the need to further use its own resources to finance the Capital Increase of the Target Company.

Taking into account of all factors elaborated above, the Directors (including members of the Independent Board Committee whose views have been set out in the section headed “**Letter from the Independent Board Committee**” of this circular after taking into consideration of the advice from Independent Financial Adviser but excluding Mr. Wang Zhongwu who abstained from voting at the Board meeting in respect of the resolutions approving the Capital Increase due to his material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder) consider that the Capital Increase is on normal commercial terms and the terms of the Capital Increase Agreement (including the Capital Contribution Sum) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, the Investor is an indirect wholly-owned subsidiary of Shandong Commercial, which is the controlling Shareholder of the Company. Shandong Commercial, together with its associates, hold and/or are entitled to exercise control over 100,000,000 Domestic Shares, which represent approximately 75.00% of the Company’s entire issued share capital. Therefore, being an associate of Shandong Commercial, the Investor is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the Capital Increase pursuant to the Capital Increase Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Thus, the Capital Increase pursuant to the Capital Increase Agreement constitutes a deemed disposal of the Target Company by the Company under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Increase exceeds 5% but all of them are less than 25%, the Capital Increase pursuant to the Capital Increase Agreement constitutes a disclosable transaction of the Company and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Furthermore, with one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 5% and the total consideration of the Capital Increase being more than HK\$10,000,000.00, the Capital Increase pursuant to the Capital Increase Agreement constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, independent financial advice and the Independent Shareholders’ approval requirements pursuant to Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all the independent non-executive Directors (i.e. Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao) has been established to consider, and make recommendations to the Independent Shareholders regarding, amongst other things, whether the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Capital Increase Agreement.

#### **INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 13.39(6) of the Listing Rules, Silverbricks Securities Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Capital Increase Agreement and the Capital Increase are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on whether to vote in favour of the resolutions to be proposed for approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder at the EGM.

#### **DISCLOSURE OF DIRECTORS' INTERESTS**

As at the Latest Practicable Date, Mr. Wang Zhongwu is a director of Shandong Urban and Rural. Accordingly, Mr. Wang Zhongwu has considered himself to have a material interest in the Capital Increase Agreement and has abstained from voting on the relevant resolution(s) of the Board approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder.

#### **NOTICE OF THE EGM**

The Company will convene the EGM at 38th Floor, Block 5, Lushang Guo'ao City, No. 9777 Jingshi Road, Lixia District, Jinan, Shandong, the PRC on Friday, June 27, 2025 at 10:30 a.m. to consider and, if thought fit, approve, among other things, the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

Any Shareholders or their respective associates with a material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder shall abstain from voting at the EGM.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save and except for Shandong Commercial and its associates, which altogether they hold and are entitled to exercise control over 100,000,000 Domestic Shares, being approximately 75.00% of the entire issued share capital of the Company, and accordingly have material interests in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder, no Shareholder has a material interest in the Capital Increase and accordingly, no Shareholder and his/her/its associates (other than Shandong Commercial and its associates) are therefore required to abstain from voting on the relevant resolution(s) to approve, amongst other things, the Capital Increase to be proposed at the EGM.

### **Voting by poll at the EGM**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the EGM will demand a poll for each and every resolution put forward at the EGM. The Company will appoint scrutineers to handle vote-taking procedures at the EGM. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **Proxy Form**

A form of proxy for the EGM is enclosed. Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders), or to the registered office of the Company at Room 202, Block 2 Lushang Guo'ao City No.9777 Jingshi Road Lixia District, Jinan, Shandong, the PRC (for domestic shareholders) as soon as possible and in any event not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

### **CLOSURE OF REGISTER OF MEMBERS OF H SHARES**

The register of members of H Shares of the Company will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025 (both days inclusive) for determining the eligibility of the Shareholders to attend and vote at the EGM, during such period, no transfer of H Shares will be registered.

In order to determine the identity of Shareholders who are entitled to attend and vote at the EGM, all H Share transfer documents together with the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders), not later than 4:30 p.m. on Monday, June 23, 2025.

## RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee as set out on pages IBC-1 to IBC-2 of this circular which contains its recommendations to the Independent Shareholders on the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder. Your attention is also drawn to the letter of advice received from Silverbricks Securities Company Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages IFA-1 to IFA-22 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder, the casting of votes for or against the resolution(s) approving the above, as well as the principal factors and reasons considered by it in concluding its advice.

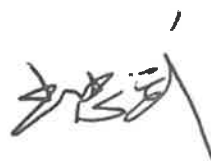
The Directors (including members of the Independent Board Committee whose views have been set out in the section headed “**Letter from the Independent Board Committee**” of this circular after taking into consideration of the advice from Independent Financial Adviser but excluding Mr. Wang Zhongwu) are of the view that the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and they recommend the Independent Shareholders to vote in favour of the resolution(s) at the EGM.

## ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

As the Capital Increase pursuant to the Capital Increase Agreement and its Completion are subject to the fulfilment of the Conditions Precedent set out in the Capital Increase Agreement, the transactions contemplated thereunder may or may not proceed to completion and Shareholders and potential investors of the Company should exercise caution when dealing with the securities of the Company.

By Order of the Board  
Lushang Life Services Co., Ltd.



Mr. WANG Zhongwu  
*Chairman and Executive Director*