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.

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)

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – REVISION OF ANNUAL CAPS OF THE PROPERTY MANAGEMENT AND RELATED SERVICES
(2) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH SHANDONG COMMERCIAL
AND
(3) CONTINUING CONNECTED TRANSACTIONS – ENTRY OF GREENING SERVICES MASTER AGREEMENT WITH SHANDONG COMMERCIAL

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

REVISION OF ANNUAL CAPS FOR THE PROPERTY MANAGEMENT AND RELATED SERVICES

The Supplemental PMRS Master Agreement has been entered into between the Company and Shandong Commercial on 25 September 2025 (after trading hours of the Stock Exchange), to revise the existing annual caps for the year ending 31 December 2025 under the 2023 Property Management and Related Services Master Agreement.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

As each of the 2023 Property Management and Related Services Master Agreement, the 2023 Design Services Master Agreement and the 2023 Deposit Services Master Agreement has a term of three years and expires on 31 December 2025, in order ensure uninterrupted provision of services for the Group's operations, on 25 September 2025 (after trading hours of the Stock Exchange), (a) the Company and Shandong Commercial enters into the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement respectively; and (b) the Company and Commercial Finance enters into the 2025 Deposit Services Master Agreement.

Pursuant to each of the 2025 SC Master Agreements, the term shall be of three years (commencing on 1 January 2026 and expiring on 31 December 2028), and the annual caps for those categories of services will be renewed accordingly.

ENTRY OF 2025 GREENING SERVICES MASTER AGREEMENT

On 25 September 2025 (after trading hours of the Stock Exchange), the Company and the Greening Services Provider enter into the 2025 Greening Services Master Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Commercial is the controlling Shareholder of the Company. Shandong Commercial, together with its associates, hold 100,000,000 Domestic Shares, which represent approximately 75.00% of the Company's entire issued share capital. Therefore, as a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and as (i) the counterparty for each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements is either Shandong Commercial or a wholly-owned subsidiary of Shandong Commercial; or (ii) the counterparty for the 2025 Greening Services Master Agreement is also a non-wholly owned subsidiary of Shandong Commercial, the transactions respectively contemplated under each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement will constitute continuing connected transactions of the Company.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed revised annual cap under the Supplemental PMRS Master Agreement exceeds 25%, the Supplemental PMRS Master Agreement and the transactions respectively contemplated thereunder (including the proposed revised annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

On a standalone basis:

(1) One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Property Management and Related Services Master Agreement exceeds 25%, the 2025 Property Management and Related Services Master Agreement and the transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules; and

(2) One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Design Services Master Agreement are more than 5%, the 2025 Design Services Master Agreement and the transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For both transactions were all entered into (i) on the same date and with the same service period; (ii) between the Company with Shandong Commercial; and (iii) the transactions are similar in nature with the Company providing services and charging service fees, the transactions under the two agreements shall be aggregated and treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules.

Accordingly, the annual caps in respect of transactions under the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement are aggregated, and such aggregated amounts are used when calculating the relevant percentage ratios under the Listing Rules. Accordingly, as the one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregated annual cap under the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement exceeds 25%, the 2025 Property Management and Related Services Master Agreement, the 2025 Design Services Master Agreement and the transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

As the one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Deposit Services Master Agreement exceeds 25%, the 2025 Deposit Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14 and 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Greening Services Master Agreement are more than 0.1% but less than 5%, the 2025 Greening Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are subject to the reporting, announcement and annual review requirement, but exempt from the circular, independent financial advice and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

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, no Shareholder has a material interest in each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement 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, each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao, has been established to advise the Independent Shareholders on each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder 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 each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder at the EGM.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder. A circular containing, among other things, (i) further details of approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 15 October 2025.

INTRODUCTION

References are made to the 2023 Publications as follows:

1. the announcement of the Company dated 20 November 2023, the circular of the Company dated 11 December 2023 and the poll results announcement of the Company dated 28 December 2023 in respect of the revision of annual caps for and renewal of, amongst other things,

    (a) the Property Management and Related Services under the 2023 Property Management and Related Services Master Agreement for the three years ending on 31 December 2025; and

    (b) the Design Services under the 2023 Design Services Master Agreement for the three years ending on 31 December 2025; and

2. the announcement of the Company dated 9 June 2023, the circular of the Company dated 15 June 2023 and the poll results announcement of the Company dated 30 June 2023 in respect of the renewal of the Deposit Services under the 2023 Deposit Services Master Agreement for the three years ending on 31 December 2025.

REVISION OF ANNUAL CAPS FOR THE PROPERTY MANAGEMENT AND RELATED SERVICES

With further reference to the announcements of the Company dated 25 April 2025 and 30 May 2025, the original annual caps of the Property Management and Related Services under the 2023 Property Management and Related Services Master Agreement for Lushang Freda Associates and Shandong Commercial Associates for the years ended 31 December 2024 and ending 31 December 2025 are respectively as follows:

	Year ended 31 December 2024 (amounts in RMB' 000)	**Year ending 31 December 2025 (amounts in RMB' 000)**
Lushang Freda Associates	5,000	6,000
Shandong Commercial Associates	75,000	86,000
TOTAL	**80,000**	**92,000**

As reflected from the announcements of the Company dated 25 April 2025 and 30 May 2025, it was noted that for the year ended 31 December 2024, the actual transaction amount with Lushang Freda Associates with respect to the Property Management and Related Services provided was RMB5,481,073.98, which exceeded the annual cap by RMB481,073.98, which is mainly due to the expansion into catering services provided to one of the Lushang Freda Associates with the execution of a catering service agreement (as an underlying contract under the 2023 Property Management and Related Services Master Agreement), so as to enhance customer's loyalty by means of the food and beverage services related to property operation catering towards the needs of customers.

Moving forward, in order to avoid the aforementioned event from taking place again, and as it is expected that the aggregate transaction amount under the 2023 Property Management and Related Services Master Agreement for the year ending 31 December 2025 will exceed the existing annual cap as demonstrated above and previously announced by the Company, the Board has resolved to revise the existing annual cap regarding the Property Management and Related Services for the year ending 31 December 2025 by the execution of the Supplemental PMRS Master Agreement.

The principal terms of the Supplemental PMRS Master Agreement are as follows:

Date : 25 September 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company; and

(2) Shandong Commercial.

Subject Matter : Revision of the existing annual caps for the year ending 31 December 2025 under the 2023 Property Management and Related Services Master Agreement.

As at the date of this announcement, the existing annual caps for the year ending 31 December 2025 in relation to the Property Management and Related Services have not been exceeded.

Set out below are the existing and revised annual caps with respect to Property Management and Related Services for the years ended 31 December 2025 (with the historical transaction amounts of Property Management and Related Services as at 31 August 2025 set out in brackets):

	Existing Annual Cap Year ended 31 December 2025 (amounts in RMB' 000)	**Revised Annual Cap Year ending 31 December 2025 (amounts in RMB' 000)**
Lushang Freda Associates	6,000 (5,306)	9,000
Shandong Commercial Associates	86,000 (42,423)	86,000
TOTAL	**92,000**	**95,000**

Basis of Revised Annual Caps

The annual caps for the year ending 31 December 2025 have been proposed to be revised as per the Supplemental PMRS Master Agreement based on the following factors:

(i) the historical transactions (especially in light of the exceeding in the annual caps with respect to Property Management and Related Services with Lushang Freda Associates for the year ended 31 December 2024) and actual transaction amounts for the provision of the Property Management and Related Services (with reference to the transaction amounts with Lushang Freda Associates as at 31 August 2025); and

(ii) the demand for catering services by the customers enjoying the Property Management and Related Services exceeded the previous estimation made by the Group.

Reasons for and benefits of the Adoption of the Revised Annual Caps

Given the gradually maturing experience in catering and beverage services of the Group (as part of the Property Management and Related Services), the Group can provide more extensive services (in terms of cuisines), with market price, on normal commercial terms and terms that are no less favourable to the Group than those offered to independent third parties, which can broaden the revenue base of the Group and is in the interests of the Group and the shareholders of the Company as a whole. The revision of the relevant existing annual caps will allow the Group to expand further in providing such value-adding services as part of the Group's property management services.

The Directors (excluding (i) the independent non-executive Directors, whose view will be provided after taking into account the advice of the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu) are of the view that the terms of the Supplemental PMRS Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

With reference to the 2023 Publications on the engagement of certain services between the Company and Shandong Commercial or Commercial Finance (as the case may be), including Property Management and Related Services and Design Services with services provided by the Group; and the Deposit Services provided by Commercial Finance to the Group, as each of the 2023 Property Management and Related Services Master Agreement, the 2023 Design Services Master Agreement and the 2023 Deposit Services Master Agreement has a term of three years and expires on 31 December 2025, in order ensure uninterrupted provision of services for the Group's operations, on 25 September 2025 (after trading hours of the Stock Exchange), (a) the Company and Shandong Commercial enters into the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement respectively; and (b) the Company and Commercial Finance enters into the 2025 Deposit Services Master Agreement.

Pursuant to each of the 2025 SC Master Agreements, the term shall be of three years (commencing on 1 January 2026 and expiring on 31 December 2028), and the annual caps for those categories of services will be renewed accordingly.

THE 2025 PROPERTY MANAGEMENT AND RELATED SERVICES MASTER AGREEMENT

The principal terms and conditions of the 2025 Property Management and Related Services Master Agreement are set out as follows:

Date : 25 September 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company; and
(2) Shandong Commercial.

Term : Subject to compliance with the Listing Rules (and unless terminated in writing by both parties to the 2025 Property Management and Related Services Master Agreement), from 1 January 2026 to 31 December 2028 (both days inclusive). The term may, subject to compliance with relevant laws and regulations and the Listing Rules as well as the agreement of the parties, be extended or renewed.

Subject Matter

Under the 2025 Property Management and Related Services Master Agreement, the Group has agreed to provide the Property Management and Related Services to both Shandong Commercial Associates and Lushang Freda Associates in this regard. Relevant members of both parties will enter into separate agreements setting out the specific terms and conditions based on the principles provided in the 2025 Property Management and Related Services Master Agreement.

The services under the Property Management and Related Services include (without limitation to) (a) the services prior to delivery of property such as property inspection services, cleaning services, and pre-delivery preparations; (b) property management services; and (c) other related services such as catering and beverage services.

Pricing policy and other terms

The fees to be charged for the Property Management and Related Services shall be determined on arm's length negotiations with reference to (i) the size, location and positioning of the properties; (ii) the scope of services to be provided; (iii) the anticipated operational costs (including but not limited to labor costs, administration costs and costs of materials); (iv) the fees for similar services and similar types of projects in the market; and (v) the prices charged by the Group for providing comparable services to Independent Third Parties.

The service fee payable by Shandong Commercial Associates and Lushang Freda Associates to the Group will be determined through arm's length negotiations between the relevant parties taking into account factors including the prevailing market price of the similar services, and it shall be no less than those charged to an independent third party for similar duration of time for the same or similar services. The pricing terms shall therefore be on normal commercial terms and no less favourable than those offered by Independent Third Parties, being in the best interests of the Company and its Shareholders as a whole.

Payment arrangement

The payment mechanism for all fees and payments pursuant to the 2025 Property Management and Related Services Master Agreement should be specified in the relevant specific agreement to be entered into by the parties.

Historical Transaction Amount

Set out below are the historical transaction amounts of the Property Management and Related Services for the year ended 31 December 2024 and the 8-month period ended 31 August 2025:

	For the year ended 31 December 2024 (amounts in RMB' 000)	For the 8-month period ended 31 August 2025 (amounts in RMB' 000)
Lushang Freda Associates	5,481*	5,306
Shandong Commercial Associates	64,925	42,423

**Note:* *As disclosed from the announcements of the Company dated 25 April 2025 and 30 May 2025, it was noted that for the year ended 31 December 2024, the actual transaction amount with Lushang Freda Associates with respect to Property Management and Related Services provided was RMB5,481,073.98, which exceeded the annual cap by RMB481,073.98.*

Annual Caps for the Property Management and Related Services

Set out below are the existing or revised annual caps (as the case may be) under the 2023 Property Management and Related Services Master Agreement (to be revised by the Supplemental PMRS Master Agreement subject to the approval by the Independent Shareholders at the EGM) for the year ended 31 December 2024 and the year ending 31 December 2025 are respectively as follows:

	For the year ended 31 December 2024 (amounts in RMB' 000)	For the year ending 31 December 2025 (revised amounts in RMB' 000)
Lushang Freda Associates	5,000	9,000
Shandong Commercial Associates	75,000	86,000
TOTAL	**80,000**	**95,000**

Proposed Annual Caps for the Property Management and Related Services

Set out below are the proposed annual caps for the 2025 Property Management and Related Services Master Agreement for the respective years ending 31 December 2026, 31 December 2027 and 31 December 2028 as follows:

	For the year ending 31 December 2026 (amounts in RMB' 000)	For the year ending 31 December 2027 (amounts in RMB' 000)	For the year ending 31 December 2028 (amounts in RMB' 000)
Lushang Freda Associates	13,000	17,000	22,000
Shandong Commercial Associates	95,000	105,000	120,000
TOTAL	**108,000**	**122,000**	**142,000**

Basis of the Proposed Annual Caps for the Property Management and Related Services

The annual caps proposed above were determined after having taken into account the following factors:

(1) the historical transaction amount with an expected annual growth rate of approximately 10-15% (based on (i) the aggregate of the historical transaction amount with Lushang Freda Associates in the approximate amount of RMB5.31 million for the 8-month period ended 31 August 2025 and the historical transaction amount with Shandong Commercial Associates in the approximate amount of RMB42.42 million for the 8-month period ended 31 August 2025; and (ii) the trend of growing transaction amount for the Property Management and Related Services as portrayed from such services provided for Shandong Commercial Associates and Lushang Freda Associates, leading to the exceeding of the annual cap for the year ended 31 December 2024 and the need to revise the existing annual cap regarding the Property Management and Related Services for the year ending 31 December 2025 by means of the Supplemental PMRS Master Agreement);

(2) the estimated revenue of the Property Management and Related Services to be recognized by the Group based on the existing contracts with Lushang Freda Associates and Shandong Commercial Associates;

(3) the estimated increment of the GFA for properties under development and contracted sales GFA of Shandong Commercial Associates for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028, which is estimated based on the development plan and delivery schedule of Shandong Commercial Associates;

(4) in respect of the property pre-delivery services, (i) the estimated GFA and number of projects to be sold by Shandong Commercial Associates for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028 and the estimated number of the sales offices and display units to be established in the relevant period based on the development plan of Lushang Freda, as well as their historical sales GFA and the related growth rate; (ii) bidding success rate and the estimated capacity of the Group for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028; and (iii) the estimated service fee based on the historical service fee and the expected increase in operational costs associated with the provision of property pre-delivery services, including but not limited to labor costs, administration costs and costs of materials;

(5) in respect of the property management services to be provided for the unsold residential properties, (i) the estimated GFA of the unsold residential properties developed or to be developed by Shandong Commercial Associates for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028 according to development plan and delivery schedule; and (ii) the estimated service fee per square metre which management services will be charged based on the historical service fee and the expected increase in operational costs associated with the provision of such services;

(6) in respect of the property management services to be provided for the commercial properties, the estimated GFA and number of commercial properties developed or used by Shandong Commercial Associates to be managed by the Group for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028 as estimated based on the existing contracts with Lushang Freda Associates and Shandong Commercial Associates;

(7) in respect of the catering and beverage services to be provided for customers situated in properties which are the subjects of the Property Management and Related Services, taking into account that there is a strong positive correlation between the Company's catering and beverage services business volume and its core business metrics, including sales GFA and growth rate of different types of properties sold, and basing on the current business development trend and such business growing in terms of maturity, it is anticipated that over the next three years, demand for catering and beverage services will closely follow the Company's growth and accordingly achieve steady growth; and

(8) the estimated increase in the market prices for comparable services taking into account the impact of inflation and rising cost.

Reasons for and benefits of entering into the 2025 Property Management and Related Services Master Agreement

The Group has been engaged by Lushang Freda Associates and/or Shandong Commercial Associates to provide the Property Management and Related Services since 2006. It is expected that the Group will continue to do so in its ordinary and usual course of business for earning revenue, thus it is in the interests of the Company and the Shareholders as a whole. For the avoidance of doubt, there is no deposit arrangement between the Group and Lushang Freda Associates and/or Shandong Commercial Associates under the 2025 Property Management and Related Services Master Agreement.

In connection with the catering and beverage services under the Property Management and Related Services, it has been growing with more professional information such as food production technique, cost composition and industry trends. With the demand of catering and beverage services pegged to users of properties which are the subjects of the Property Management and Related Services, the provision of end-to-end services including warehousing, allocation, provisioning, recycling, and cleaning by the Group can give full play to its professional advantages and its advantages of procurement scale, increasing economies of scale and reducing procurement costs, and are beneficial for the Company to implement scientific and refined management on the traceability and inventory management of catering, especially those with high value and high turnover, so as to reduce consumption and waste by monitoring the whole process of storage, allocation, preparation, recycling and cleaning. The Group will be directly in charge of budget management, standard formulation, quality supervision and customer satisfaction surveys for the business of catering, which is in turn conducive to the Company's centralised supervision of the source and quality of catering, ensuring compliance with the Company's quality requirements for catering, to continuously optimise customer experience, and will also help the Company quickly responding to market changes and guiding customer demand more efficiently and quickly to improve customer's satisfaction and loyalty.

The Directors (excluding (i) the independent non-executive Directors, whose view will be provided after taking into account the advice of the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu) are of the view that the terms of the 2025 Property Management and Related Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

THE 2025 DESIGN SERVICES MASTER AGREEMENT

The principal terms and conditions of the 2025 Design Services Master Agreement are set out as follows:

Date : 25 September 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company; and
(2) Shandong Commercial.

Term : Subject to compliance with the Listing Rules (and unless terminated in writing by both parties to the 2025 Design Services Master Agreement), from 1 January 2026 to 31 December 2028 (both days inclusive). The term may, subject to compliance with relevant laws and regulations and the Listing Rules as well as the agreement of the parties, be extended or renewed.

Subject Matter

Under the 2025 Design Services Master Agreement, the Group has agreed to provide the Design Services to both Shandong Commercial Associates and Lushang Freda Associates in this regard. Relevant members of both parties will enter into separate agreements setting out the specific terms and conditions based on the principles provided in the 2025 Design Services Master Agreement.

The services under the Design Services include (without limitation to) (a) the architectural design services; (b) landscape design services; (c) decoration design services; and (d) decoration management services.

Pricing policy and other terms

The fees to be charged for the Design Services shall be determined on arm's length negotiations with reference to (i) the nature, complexity and scope of services; (ii) the anticipated operational costs, including but not limited to labor costs, administration costs and costs of materials used for providing the services; (iii) the fees for similar services and similar types of projects in the market; and (iv) the prices charged by the Group for providing comparable services to Independent Third Parties.

The service fee payable by Shandong Commercial Associates and Lushang Freda Associates to the Group will be determined through arm's length negotiations between the relevant parties taking into account factors including the prevailing market price of the similar services, and it shall be no less than those charged to an independent third party for similar duration of time for the same or similar services. The pricing terms shall therefore be on normal commercial terms and no less favourable than those offered by Independent Third Parties, being in the best interests of the Company and its Shareholders as a whole.

Payment arrangement

The payment mechanism for all fees and payments pursuant to the 2025 Design Services Master Agreement should be specified in the relevant specific agreement to be entered into by the parties.

Historical Transaction Amount

Set out below are the historical transaction amounts of the Design Services for the year ended 31 December 2024 and the 8-month period ended 31 August 2025:

	For the year ended 31 December 2024 (amounts in RMB' 000)	**For the 8-month period ended 31 August 2025 (amounts in RMB' 000)**
Lushang Freda Associates	172	0
Shandong Commercial Associates	27,320	11,032

Existing Annual Caps for the Design Services

Set out below are the existing annual caps under the 2023 Design Services Master Agreement for the year ended 31 December 2024 and the year ending 31 December 2025 are respectively as follows:

	For the year ended 31 December 2024 (amounts in RMB' 000)	For the year ending 31 December 2025 (amounts in RMB' 000)
Lushang Freda Associates	4,000	5,000
Shandong Commercial Associates	42,000	48,000
TOTAL	**46,000**	**53,000**

Proposed Annual Caps for the Design Services

Set out below are the proposed annual caps for the 2025 Design Services Master Agreement for the respective years ending 31 December 2026, 31 December 2027 and 31 December 2028 as follows:

	For the year ending 31 December 2026 (amounts in RMB' 000)	For the year ending 31 December 2027 (amounts in RMB' 000)	For the year ending 31 December 2028 (amounts in RMB' 000)
Lushang Freda Associates	3,000	3,000	3,000
Shandong Commercial Associates	17,000	17,000	17,000
TOTAL	**20,000**	**20,000**	**20,000**

Basis of the Proposed Annual Caps for the Design Services

The annual caps proposed above were determined after having taken into account the following factors:

(a) the historical transaction amount based on (i) the non-existence of any historical transaction amount with Lushang Freda Associates for the 8-month period ended 31 August 2025 and the historical transaction amount with Shandong Commercial Associates in the approximate amount of RMB11 million for the 8-month period ended 31 August 2025; and (ii) the transaction amount for the Design Services as portrayed from such services provided for Shandong Commercial Associates and Lushang Freda Associates are unlikely to exceed a lower annual cap as proposed above in light of lower demand for the demand of the Design Services anticipated for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028;

(b) the estimated revenue of the Design Services to be recognized by the Group based on the existing contracts with Lushang Freda Associates and Shandong Commercial Associates;

(c) the estimated service fee to be charged for the Design Services, which is based on the historical service fee charged and the expected increase in operational costs associated with the Design Services, including but not limited to labor costs, administration costs and costs of materials used for providing the services; and

(d) the estimated number of projects to be developed or owned by Lushang Freda Associates and Shandong Commercial Associates for which the Group anticipates itself to be engaged to provide the Design Services for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

Reasons for and benefits of entering into the 2025 Design Services Master Agreement

The Group has been engaged by Shandong Commercial Associates and Lushang Freda Associates to provide the Design Services since 2021. It is expected that the Group will continue to do so in its ordinary and usual course of business for earning revenue, thus it is in the interests of the Company and the Shareholders as a whole to continue the provision of service and renewing the corresponding annual caps at a lower level for the next three years in view of the historical transaction amounts of the Design Services indicated above. For the avoidance of doubt, there is no deposit arrangement between the Group and Lushang Freda Associates and/or Shandong Commercial Associates under the 2025 Design Services Master Agreement.

The Directors (excluding (i) the independent non-executive Directors, whose view will be provided after taking into account the advice of the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu) are of the view that the terms of the 2025 Design Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

THE 2025 DEPOSIT SERVICES MASTER AGREEMENT

The principal terms and conditions of the 2025 Deposit Services Master Agreement are set out as follows:

Date : 25 September 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company; and
(2) Commercial Finance.

Term : Subject to compliance with the Listing Rules (and unless terminated in writing by both parties to the 2025 Deposit Services Master Agreement), from 1 January 2026 to 31 December 2028 (both days inclusive). The term may, subject to compliance with relevant laws and regulations and the Listing Rules as well as the agreement of the parties, be extended or renewed.

Subject Matter

Under the 2025 Deposit Services Master Agreement, the Group has agreed to use the Deposit Services. Pursuant to the 2025 Deposit Services Master Agreement, the Group may deposit its funds in Commercial Finance from time to time.

Based on information available and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Commercial Finance is a non-bank financial institution established in May 1996 with a credit rating of 2A provided by CBIRC. As at the date of this announcement, based on public record, the Finance Permit Licence (金融許可證) held by Commercial Finance remains valid and has not been withdrawn or revoked.

The relevant parties shall enter into individual deposit services agreements, terms of which shall be consistent with the principal terms of the 2025 Deposit Services Master Agreement in all material aspects.

Pricing policy and other terms

The fees of the Deposit Services shall be determined on arm's length basis in accordance with the following policy:

(a) the interest rate in respect of the deposits placed by the Group with Commercial Finance will be equal to or higher than the interest rate offered by independent banks or other financial institutions in China for comparable deposits of the same type and term; and

(b) the commercial terms provided by Commercial Finance in respect of the Deposit Services will be equal to or more favourable compared to those offered to the Group by Independent Third Parties.

Moreover, the Group shall not be obliged to utilise the Deposit Services provided by Commercial Finance, as the Group may choose at its discretion and utilise the Deposit Services with reference to its operational and business need, the fees charged by and quality of such relevant services, and therefore shall not be limited by the 2025 Deposit Services Master Agreement from engaging other commercial banks or financial institutions for deposit services (should such terms of services become more favorable than that provided by Commercial Finance).

Payment arrangement

The payment mechanism for all fees and payments pursuant to the 2025 Deposit Services Master Agreement should be specified in the relevant specific agreement to be entered into by the parties.

Historical Transaction Amount

Set out below are the historical transaction amounts of the Deposit Services for the year ended 31 December 2024 and the 8-month period ended 31 August 2025:

	For the year ended 31 December 2024 (amounts in RMB' 000)	**For the 8-month period ended 31 August 2025 (amounts in RMB' 000)**
Maximum daily deposit balance	307,381	310,631
Maximum interest income	4,555	2,409

Existing Annual Caps for the Deposit Services

Set out below are the existing annual caps under the 2023 Deposit Services Master Agreement for the year ended 31 December 2024 and the year ending 31 December 2025 are respectively as follows:

	For the year ended 31 December 2024 (amounts in RMB' 000)	For the year ending 31 December 2025 (amounts in RMB' 000)
Maximum daily deposit balance	350,000	350,000
Maximum interest income	7,040	7,040

Proposed Annual Caps for the Deposit Services

Set out below are the proposed annual caps for the 2025 Deposit Services Master Agreement for the respective years ending 31 December 2026, 31 December 2027 and 31 December 2028 as follows:

	For the year ending 31 December 2026 (amounts in RMB' 000)	For the year ending 31 December 2027 (amounts in RMB' 000)	For the year ending 31 December 2028 (amounts in RMB' 000)
Maximum daily deposit balance	350,000	380,000	400,000
Maximum interest income	6,275	6,755	7,075

Basis of the Proposed Annual Caps for the Deposit Services

The annual caps proposed above were determined after having taken into account the following factors:

For amount of deposit

(a) the historical maximum daily deposit balances under the 2023 Deposit Services Master Agreement;

(b) the recorded cash and cash equivalent amounted to approximately RMB425.2 million as at 31 December 2024, representing an increase of 3.2% as compared with approximately RMB412.1 million as of 31 December 2023; and

(c) as at 31 August 2025, the deposit balance with Commercial Finance was in the amount of approximately RMB241.4 million, and moreover, approximately RMB2.4 million had been paid as interests.

On interest amount

(a) Approximately 30% of the total deposits by the Company with Commercial Finance was being kept in current account. Such percentage is derived from the average percentage of the total deposit by the Company with Commercial Finance being kept in current account as at 31 December 2024 and 31 August 2025;

(b) Approximately 70% of the total deposits by the Company with Commercial Finance being kept as fixed deposit. Such percentage is derived from the average percentage of the total deposit by the Company with Commercial Finance being kept as fixed deposit as at 31 December 2024 and 31 August 2025; and

(c) the existing maximum interest rate to be offered by Commercial Finance of approximately 5% per annum for five-year fixed deposits, approximately 2% per annum for one-year fixed deposits, approximately 1.8% per annum for six-month fixed deposits, and approximately 0.3% per annum for current account deposits (or 1.15% per annum with an amount of no less than RMB500,000 being placed for current account deposits), which shall be subject to the relevant guiding opinions published by the People's Bank of China from time to time.

Reasons for and benefits of entering into the 2025 Deposit Services Master Agreement

The Group has engaged Commercial Finance to provide Deposit Services since 2019. It is expected that the Group will continue to do so in its ordinary and usual course of business upon expiry of the 2023 Deposit Services Master Agreement. The Company consider that using the Deposit Services provided by Commercial Finance to be beneficial as it could allow the Group to (but is not obliged to) use the deposit services provided by Commercial Finance in order to deploy and manage the Group's financial resources in a more flexible and efficient manner, with the Group allowed to make choices at its discretion based on its business needs and the costs and quality of relevant services.

Prior to entering into the 2025 Deposit Services Master Agreement, the management of the Group has conducted due diligence and assessment on the financial capability of Commercial Finance by reviewing the audited financial statements of Commercial Finance. According to the audited financial statements of Commercial Finance provided to the Company:

(1) As at 31 December 2024, Commercial Finance had total assets of approximately RMB9,150.11 million, registered capital of RMB2,000 million and a capital adequacy ratio of 25.87%; and

(2) As at 30 June 2025, Commercial Finance had total assets of approximately RMB8,435.93 million, registered capital of RMB2,000 million and a capital adequacy ratio of 26.61%.

During the year ended 31 December 2024, the Group's deposits in Commercial Finance only accounted for a very small scale of the total deposits placed in it and hence, the Group is not its major customer. In addition, the proposed annual cap for the maximum daily deposit balance of RMB350 million (as proposed as the annual cap for the year ending 31 December 2026) only accounts for approximately 14.26% of the net asset value of Commercial Finance of approximately RMB2,454.72 million as at 31 December 2024.

The Directors have also reviewed the information published by Commercial Finance and did not note any material adverse matters in relation to Commercial Finance which would materially impair its financial capability as at the date of this announcement. The finance department of the Company will continue to monitor and prudently manage its operating cash inflows and outflows as well as its overall working capital requirements, and report to the senior management of the Company on a regular basis. Based on the above, the Directors are of the view that Commercial Finance has a sound credit worthiness and financial capacity as at the date of this announcement.

The Directors (excluding (i) the independent non-executive Directors, whose view will be provided after taking into account the advice of the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu) are of the view that the terms of the 2025 Deposit Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

ENTRY OF 2025 GREENING SERVICES MASTER AGREEMENT

Background

With further reference to the announcement of the Company dated 21 March 2025, the circular of the Company dated 30 May 2025 and the poll results announcement of the Company dated 27 June 2025, a capital increase agreement has been entered into amongst (i) the Company; (ii) the Greening Services Provider; and (iii) SCRED Ltd.. As a result of completion of the capital injection pursuant to such capital increase agreement, the Greening Services Provider has changed from a wholly-owned subsidiary of the Company to a company owned by SCRED Ltd. and the Company as to 51% and 49% of its enlarged equity interest respectively. The reason for entering into such capital increase agreement is to invite an investor with abundant resources in landscape and gardening projects with diversified portfolios, strengthening the competitiveness of the Greening Services Provider among the landscaping industry and boost return of the Group's investment in the Greening Services Provider without the need to further use its own resources to finance such capital increase.

On the other hand, as a regular service provider to the Group, the Greening Services Provider have been providing the Group with Greening Services, which is required for the Group's ordinary and usual course of business and were previously provided by the operations within the Group. As a result of the aforementioned capital increase, and in order to regulate the Greening Services continuously provided by the Greening Services Provider to the Group, on 25 September 2025 (after trading hours of the Stock Exchange), the Company and the Greening Services Provider enter into the 2025 Greening Services Master Agreement.

The principal terms and conditions of the 2025 Greening Services Master Agreement are set out as follows:

Date : 25 September 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company; and
(2) Greening Services Provider.

Term : Subject to compliance with the Listing Rules (and unless terminated in writing by both parties to the 2025 Greening Services Master Agreement), from 1 July 2025 to 30 June 2028 (both days inclusive). The term may, subject to compliance with relevant laws and regulations and the Listing Rules as well as the agreement of the parties, be extended or renewed.

Subject Matter

Under the 2025 Greening Services Master Agreement, the Greening Services Provider has agreed to provide the Greening Services to the Group in this regard. Relevant members of the Group will enter into separate agreements with the Greening Services Provider, setting out the specific terms and conditions based on the principles provided in the 2025 Greening Services Master Agreement.

The services under the Greening Services include (without limitation to) (a) the landscape greening maintenance services; (b) the seedling supply services; and (c) other greenery maintenance related services.

Pricing policy and other terms

The fees to be charged for the Greening Services shall be determined on arm's length negotiations with reference to (i) the nature, complexity and scope of services; (ii) the anticipated operational costs, including but not limited to labor costs, administration costs and costs of materials used for providing the services; (iii) the fees for similar services and similar types of projects in the market; and (iv) the prices charged upon the Group in comparison with such fees charged by the Greening Services Provider providing comparable services to Independent Third Parties.

Moreover, the Group shall not be obliged to utilise the Greening Services provided by the Greening Services Provider, as the Group may choose at its discretion and utilise the Greening Services with reference to its operational and business need, and therefore shall not be limited by the 2025 Greening Services Master Agreement from engaging other parties for similar services.

The service fee payable by the Group to the Greening Services Provider will be determined through arm's length negotiations between the relevant parties taking into account factors including the prevailing market price of the similar services, and it shall be no more than those charged to an independent third party for similar duration of time for the same or similar services. The pricing terms shall therefore be on normal commercial terms and no less favourable than those offered by Independent Third Parties, being in the best interests of the Company and its Shareholders as a whole.

Payment arrangement

The payment mechanism for all fees and payments pursuant to the 2025 Greening Services Master Agreement should be specified in the relevant specific agreement to be entered into by the parties.

Proposed Annual Caps for the Greening Services

Set out below are the proposed annual caps for the 2025 Greening Services Master Agreement for the 6-month period ending 31 December 2025, the respective years ending 31 December 2026, 31 December 2027 and for the 6-month period ending 30 June 2028 as follows:

	For the 6-month period ending 31 December 2025 (amounts in RMB' 000)	**For the year ending 31 December 2026 (amounts in RMB' 000)**	**For the year ending 31 December 2027 (amounts in RMB' 000)**	**For the 6-month period ending 30 June 2028 (amounts in RMB' 000)**
Amount	5,000	10,000	12,000	7,000

Basis of the Proposed Annual Caps for the Greening Services

The annual caps proposed above were determined after having taken into account the following factors:

(a) the expected increase in volume of sale, size and number of the properties to be managed by the Group based on the total GFA of properties under development and contracted sales for the three years from 1 July 2025 to 30 June 2028, which is estimated based on the development plan and delivery schedule of Shandong Commercial Associates; and

(b) the expected demand for the Group's property management services, the relevant property management services and standard being proposed by the Group, and the price to be charged by the Group for the provision of such services.

Reasons for and benefits of entering into the 2025 Greening Services Master Agreement

The Group has been 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.

With a long-term engagement in property management segment, one example is the engagement with Lushang Freda Associates and/or Shandong Commercial Associates to provide the Property Management and Related Services since 2006.

In the long run, it is the Group's aim to improving quality and enhancing efficiency while providing its property management services, the execution of the 2025 Greening Services Master Agreement is one path to achieve the integration of "internal and external synergy" and the enhancement of "soft and hard services", by means of having the Greening Services Provider providing the Greening Services to create synergy with the Group's property management services with addition of value to the Group's services. The Company believes that the Greening Services Provider can utilise its abundant resources in landscape and gardening projects with diversified portfolios supplied as a result of the capital injection by SCRED Ltd. to establish matured service offering along with extensive experience, in providing the more cost-efficient, rapid and high-quality solutions as compared to service provider of similar services.

Last but not least, the Group is not bound and will not be bound to use Greening Services offered by the Greening Services Provider. The Group may also engage other independent third-party service providers to supplement such services needed in relation to greening of properties if the terms and conditions for the services provided by such independent third-party service providers are more favorable to the Greening Services Provider.

The Directors (excluding Mr. Wang Zhongwu but including the independent non-executive Directors) are of the view that the terms of the 2025 Greening Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group in charge to ensure the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole.

The relevant personnel and management of the Group will review and assess the terms before entering into each individual agreement to ensure they are consistent with the principles and provisions set out in each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement.

In order to ensure the price terms are in accordance with each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements (save and except the 2025 Deposit Services Master Agreement) and the 2025 Greening Services Master Agreement and with reference to prevailing market prices of similar services, before entering into any individual agreement, the business development department will refer to the following information:

A. at least three other contemporaneous transactions of the Group of similar services (in terms of nature, size and location of the properties, the scope of services and the anticipated operational costs) provided to Independent Third Parties;

B. prices charged by at least three other property management companies in the PRC (if available) of comparable transactions with Independent Third Parties collected through, among others, information exchange within the industry and publicly available tender information.

After collecting the relevant information, the business development department of the Group would determine a price to be offered to Lushang Freda Associates or Shandong Commercial Associates (as the case may be) for the provision of the Group's services, which will not be less than the prices offered by the Group to Independent Third Parties for transactions contemplated under the Supplemental PMRS Master Agreement, the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement.

Similarly, for the Greening Services, after collecting the relevant information, the business development department of the Group would determine a price to be offered to the Greening Services Provider for its Greening Services, which will be no more than the prices for similar services provided by the Group from Independent Third Parties for transactions contemplated under the 2025 Greening Services Master Agreement.

In respect of the Deposit Services, owing to the difference in terms of transactional nature pursuant to the 2025 Deposit Services Master Agreement, the Company has adopted internal policies and measures in relation to cash management. In particular:

A. the Company has adopted a treasury management policy for managing its cashflow and utilizing surplus cash reserves;

B. before placing any new deposit with Commercial Finance, the finance department of the Group will obtain interest rates quoted by People's Bank of China and two major domestic commercial banks in the PRC. Such information together with the quote by Commercial Finance will be submitted to the chief financial officer of the Company for approval to ensure terms offered by Commercial Finance shall not be less favourable to the Group than terms offered by commercial banks who are Independent Third Parties;

C. the finance department will be responsible for closely monitoring the ongoing and continuing cash deposits at Commercial Finance and the interest income to ensure the annual caps will not be exceeded;

D. the internal audit department of the Group will conduct regular checks to review and assess whether the deposit services have been provided in accordance with the terms of the relevant agreements and on normal commercial terms;

E. the implementation and enforcement of such transactions with Commercial Finance would be independently scrutinized by the independent non-executive Directors so that appropriate measures can be taken by the Company to adjust the level of deposits with Commercial Finance on a timely basis; and

F. the auditors of the Company will also conduct an annual review on the pricing terms and annual caps of the relevant continuing connected transactions.

Without prejudice to the above transaction-specific measures, in respect of all of its continuing connected transactions, the Company has also established monitoring procedures in which various departments of the Group will be responsible for the implementation, monitoring and review of such procedures. Regular checks will be conducted on a quarterly basis to review and assess whether the transactions respectively contemplated under each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement are conducted in accordance with the terms of its respective agreement and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

Further, the finance department of the Group will monitor the actual transaction amounts and monthly report will be made by the management team in relation to the aggregate transaction amounts and utilization rates of the annual caps to ensure that the annual caps under each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement will not be exceeded. In addition, where a threshold of 80% of the utilization rate is met, the finance department will alert the management team to consider revising the annual caps in accordance with the relevant requirements of the Listing Rules.

The independent non-executive Directors will continue to review the transactions respectively contemplated under each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and proposed annual caps of the relevant continuing connected transactions thereof.

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.

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' quality of life.

INFORMATION OF OTHER PARTIES

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. It is also a large-scale holding company with a wider range of investments in retail business, property development, biopharmaceuticals, drug research and development, medical facilities design and education, among other sectors, which is controlled by the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government (山東省人民政府國有資產監督管理委員會).

Based on information available and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Commercial Finance, a wholly-owned subsidiary of Shandong Commercial, is a non-bank financial institution established in May 1996 with a credit rating of 2A provided by CBIRC. As at the date of this announcement, based on public record, the Finance Permit Licence (金融許可證) held by Commercial Finance remains valid and has not been withdrawn or revoked. It is principally engaged in handling financial affairs, credit authentication and related consulting and financing advisory matters for member units, absorbing deposits from member units, etc.

Lushang Freda is principally engaged in the research and development, production and sales of pharmaceutical products, health food, cosmetics, medical devices and raw materials, and is owned as to approximately 51.62% by Shandong Commercial and 1.69% by Lushang Group Co., Ltd., a company owned as to approximately 68.15% by Shandong Commercial.

The Greening Services Provider is a company incorporated in the PRC with limited liability, principally engaged in real estate greening projects and garden greening maintenance.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Commercial is the controlling Shareholder of the Company. Shandong Commercial, together with its associates, hold 100,000,000 Domestic Shares, which represent approximately 75.00% of the Company's entire issued share capital. Therefore, as a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and as (i) the counterparty for each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements is either Shandong Commercial or a wholly-owned subsidiary of Shandong Commercial; or (ii) the counterparty for the 2025 Greening Services Master Agreement is also a non-wholly owned subsidiary of Shandong Commercial, the transactions respectively contemplated under each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement will constitute continuing connected transactions of the Company.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed revised annual cap under the Supplemental PMRS Master Agreement exceeds 25%, the Supplemental PMRS Master Agreement and the transactions respectively contemplated thereunder (including the proposed revised annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

On a standalone basis:

(1) One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Property Management and Related Services Master Agreement exceeds 25%, the 2025 Property Management and Related Services Master Agreement and the transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules; and

(2) One or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Design Services Master Agreement are more than 5%, the 2025 Design Services Master Agreement and the transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For both transactions were all entered into (i) on the same date and with the same service period; (ii) between the Company with Shandong Commercial; and (iii) the transactions are similar in nature with the Company providing services and charging service fees, the transactions under the two agreements shall be aggregated and treated as if they were one transaction pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules.

Accordingly, the annual caps in respect of transactions under the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement are aggregated, and such aggregated amounts are used when calculating the relevant percentage ratios under the Listing Rules. Accordingly, as the one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregated annual cap under the 2025 Property Management and Related Services Master Agreement and the 2025 Design Services Master Agreement exceeds 25%, the 2025 Property Management and Related Services Master Agreement, the 2025 Design Services Master Agreement and the

transactions respectively contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

As the one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Deposit Services Master Agreement exceeds 25%, the 2025 Deposit Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) will be subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the proposed annual cap under the 2025 Greening Services Master Agreement are more than 0.1% but less than 5%, the 2025 Greening Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are subject to the reporting, announcement and annual review requirement, but exempt from the circular, independent financial advice and Independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

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, no Shareholder has a material interest in the each of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements and the 2025 Greening Services Master Agreement 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, each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao, has been established to advise the Independent Shareholders on each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder 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 each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder at the EGM.

BOARD APPROVAL

At the Board meeting held to approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements, save and except for Mr. Wang Zhongwu (a non-executive Director and a director of SCRED Ltd., which in turn may be the executing party of such relevant specific agreement(s) to be entered into for the services contemplated), none of the Directors was considered as having a material interest in any of the Supplemental PMRS Master Agreement, the 2025 SC Master Agreements, and the transactions contemplated thereunder. Therefore, none of the Directors (other than Mr. Wang Zhongwu who abstained for good corporate practice) was required to abstain from voting on the relevant Board resolutions.

Moreover, at the Board meeting held to approve the 2025 Greening Services Master Agreement, save and except for Mr. Wang Zhongwu (a non-executive Director and a director of SCRED Ltd., which in turn is interested as to 51% of the equity interests in the Greening Services Provider), none of the Directors was considered as having a material interest in the 2025 Greening Services Master Agreement and the transactions contemplated thereunder. Therefore, none of the Directors (other than Mr. Wang Zhongwu) was required to abstain from voting on the relevant Board resolution(s).

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder. A circular containing, among other things, (i) further details of approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 15 October 2025.

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

"2023 Deposit Services Master Agreement"	the deposit services master agreement entered into by the Company and Commercial Finance on 9 June 2023;
"2023 Design Services Master Agreement"	the design services master agreement entered into by the Company and Shandong Commercial on 20 November 2023;
"2023 Property Management and Related Services Master Agreement"	the property management and related services master agreement entered into by the Company and Shandong Commercial on 20 November 2023;
"2023 Publications"	(i) the announcement of the Company dated 20 November 2023, the circular of the Company dated 11 December 2023 and the poll results announcement of the Company dated 28 December 2023 on 2023 Property Management and Related Services Master Agreement, 2023 Design Services Master Agreement; and (ii) the announcement of the Company dated 9 June 2023, the circular of the Company dated 15 June 2023 and the poll results announcement of the Company dated 30 June 2023 on the 2023 Deposit Services Master Agreement;
"2025 Deposit Services Master Agreement"	the deposit services master agreement entered into by the Company and Commercial Finance on 25 September 2025;
"2025 Design Services Master Agreement"	the design services master agreement entered into by the Company and Shandong Commercial on 25 September 2025;
"2025 Greening Services Master Agreement"	the greening services master agreement entered into by the Company and Greening Services Provider on 25 September 2025;

"2025 Property Management and Related Services Master Agreement"	the property management and related services master agreement entered into by the Company and Shandong Commercial on 25 September 2025;
"2025 SC Master Agreements"	collectively, the 2025 Deposit Services Master Agreement, the 2025 Design Services Master Agreement and 2025 Property Management and Related Services Master Agreement;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Business Day"	a day (excluding Saturdays, Sundays and public holidays) on which licensed banks are open for general banking business in Hong Kong;
"CBIRC"	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會);
"Commercial Finance"	Shandong Commercial Group Finance Co., Ltd.* (山東省商業集團財務有限公司), a wholly-owned subsidiary of Shandong Commercial;
"Company"	Lushang Life Services Co., Ltd. (魯商生活服務股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, its H Shares are listed and traded on the main board of the Stock Exchange (stock code: 2376);
"connected person"	has the meaning ascribed to it in the Listing Rules;
"controlling shareholder(s)"	have the same meaning as ascribed to it under the Listing Rules;
"Deposit Services"	deposit services provided by Commercial Finance as a non-bank financial institution;

"Design Services"	services including (without limitation to) (a) the architectural design services; (b) landscape design services; (c) decoration design services; and (d) decoration management services;
"Director(s)"	the director(s) of the Company;
"Domestic Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB;
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder;
"GFA"	gross floor area;
"Greening Services"	services including (without limitation to) (a) the landscape greening maintenance services; (b) the seedling supply services; and (c) other greenery maintenance related services;
"Greening Services Provider"	Shandong Blue Shore Garden Engineering Co., Ltd* (山東藍岸園林工程有限公司), a company incorporated in the PRC with limited liability;
"Group"	the Company and its subsidiaries;
"H Share(s)"	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the main board of the Stock Exchange and traded in Hong Kong dollars;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao, being, which is formed to advise the Independent Shareholders on each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder;
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder;
"Independent Shareholders"	the Shareholders, other than the Shandong Commercial and his associates, who have no material interest in each of the Supplemental PMRS Master Agreement and the 2025 SC Master Agreements and the transactions respectively contemplated thereunder to be proposed at the EGM and are not required under the Listing Rules to abstain from voting at the EGM;
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial Shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;

"Lushang Freda"	Lushang Freda Pharmaceutical Co., Ltd. (魯商福瑞達醫藥股份有限公司), (i) a non-wholly owned subsidiary of Shandong Commercial; (ii) a controlling Shareholder holding 95,100,000 Domestic Shares, which represents approximately 71.32% of the entire issued share capital of the Company; and (iii) a joint stock company established in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 600223);
"Lushang Freda Associates"	Lushang Freda and its associates;
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
"Property Management and Related Services"	services including (without limitation to) (a) the services prior to delivery of property such as property inspection services, cleaning services, and pre-delivery preparations; (b) property management services; and (c) other related services such as catering and beverage services;
"RMB"	Renminbi, the lawful currency of the PRC;
"SCRED Ltd."	Shandong Commercial Real Estate Development Co., Ltd.* (山東省城發建設管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shandong Urban and Rural, Shandong Urban and Rural Development Group Co., Ltd.* (山東省城鄉發展集團有限公司), which is in turn a wholly-owned subsidiary of Shandong Commercial;
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

"Shandong Commercial"	Shandong Commercial Group Co., Ltd. (山東省商業集團有限公司), owned by Shandong SASAC as to 70% of its equity interest, is a company established in the PRC with limited liability, and as the controlling Shareholder of the Company; and Shandong Commercial together with its associates, hold 100,000,000 Domestic Shares, representing approximately 75.00% of the Company's entire issued share capital;
"Shandong Commercial Associates"	Shandong Commercial and its associates (excluding Lushang Freda Associates);
"Shandong SASAC"	Shandong Provincial State-Owned Assets Supervision and Administration Commission (山東省人民政府國有資產監督管理委員會);
"Share(s)"	Domestic Share(s) and/or H Share(s) of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	the Stock Exchange of Hong Kong Limited;
"Supplemental PMRS Master Agreement"	the supplemental agreement to the 2023 Property Management and Related Services Master Agreement entered into by the Company and Shandong Commercial on 25 September 2025; and
"%"	per cent.

By Order of the Board
Lushang Life Services Co., Ltd.
Mr. WANG Zhongwu
Chairman and Non-executive Director

25 September 2025
Jinan, the PRC

For the purpose of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK$1 to RMB0.92. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

As at the date of this announcement, the Board comprises Mr. NING Daoju and Mr. SHAO Meng as executive Directors, Mr. WANG Zhongwu as Chairman and non-executive Director, Ms. LUO Ye and Ms. LI Han as non-executive Directors, and Ms. LEUNG Bik San, Ms. CHEN Xiaojing and Mr. MA Tao as independent non-executive Directors.

* *For identification purposes only*