

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.



Ronshine Service Holding Co., Ltd
融信服務集團股份有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2207)

SUPPLEMENTAL ANNOUNCEMENT

**DISCLOSEABLE AND CONNECTED TRANSACTION IN
RESPECT OF ACQUISITION OF 48% EQUITY INTEREST IN
THE TARGET COMPANY**

Reference is made to the announcement of Ronshine Service Holding Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 June 2022 (the “**Announcement**”) in relation to the Acquisition. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcement.

This announcement provides further information about the Acquisition.

(1) Basis of determining the Consideration

As disclosed in the Announcement, the Consideration of RMB12,000,000 (equivalent to approximately HK\$14,280,614) was determined after arm’s length negotiations between the parties to the Equity Transfer Agreement with reference to (i) the unaudited net assets of the Target Company as of 31 December 2021 of approximately RMB14,025,403 (equivalent to approximately HK\$17,154,357); and (ii) the total gross floor area under management of the Target Company of approximately 9.6 million sq.m. as at 31 December 2021.

In considering whether the Consideration is fair and reasonable, the Company has taken into account, among other factors, the following: (i) the net profit of the Target Company of approximately RMB14,000,000 for the year ended 31 December 2021 based on the unaudited management accounts of the Target Company; (ii) the price-to-earnings ratio of approximately 2.35 to 5.10 times as at 31 May 2022 of three companies listed on the

Stock Exchange which are principally engaged in the provision of property management services and related businesses in the PRC; and (iii) the Consideration would imply a valuation of 100% equity interest in the Target Company of approximately RMB25,000,000 and a price-to-earnings ratio of approximately 1.8 times which is below the market range as noted above.

(2) Information on Fujian Nuohai

As Fujian Nuohai held 48% equity interest in the Target Company (the “**Target Equity Interest**”) as of the date of the Equity Transfer Agreement and was a substantial shareholder (as defined in the Listing Rules) of the Target Company, it was a connected person of the Company at the subsidiary level. To the best of the Directors’ knowledge, information and belief and having made reasonable enquiry, save for Fujian Nuohai’s holding of the Target Equity Interest, each of Fujian Nuohai and its ultimate beneficial owners is an Independent Third Party.

The original acquisition costs of Fujian Nuohai of the Target Equity Interest to Fujian Nuohai was RMB12,000,000, representing the amount of capital contribution made by Fujian Nuohai to the Target Company.

(3) Listing Rules implication

As Fujian Nuohai is a connected person of the Company at the subsidiary level, the Acquisition also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Acquisition was approved by the Board. The Directors (including the independent non-executive Directors) are of the view that (i) the terms of the Acquisition are fair and reasonable, (ii) the Acquisition is not entered into in the ordinary and usual course of business of the Group but is made on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.101 of the Listing Rules, the Acquisition is subject to the announcement requirement but is exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transaction contemplated under the Equity Transfer Agreement and no Director was required to abstain from voting on the Board resolution to approve the entering into of the Equity Transfer Agreement.

In light of the foregoing, the Directors (including the independent non-executive Directors) takes the view that the Consideration is fair and reasonable notwithstanding that the Consideration represents a premium to the net asset value of the Target Company attributable to the Target Equity Interest.

By Order of the Board
Ronshine Service Holding Co., Ltd
Ou Zonghong
Chairman

Hong Kong, 5 July 2022

As at the date of this announcement, Mr. Ou Zonghong, Mr. Ma Xianghong, and Ms. Lin Yi are the executive directors; Ms. Lin Liqiong is the non-executive director; and Mr. Ye Azhong, Mr. Chen Zhangwang and Mr. Kwok Kin Kwong Gary are the independent non-executive directors.