



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)

Executive Directors:

Mr. Ou Guofei (*Chairman*)

Ms. Lin Yi

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Chen Zhangwang

Mr. Kwok Kin Kwong Gary

Mr. Lin Zhongxiaolu

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wan Chai

Hong Kong

23 January 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
RONSHINE SERVICE HOLDING CO., LTD
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

INTRODUCTION

Reference is made to the Announcement.

On 15 November 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme.

TERMS OF THE PROPOSAL

If the Proposal is approved and implemented, under the Scheme:

- (a) all of the 133,104,000 Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, being HK\$0.60, in cash for each Scheme Share cancelled and extinguished;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance at par value to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par value the new Shares so issued to the Offeror; and
- (c) subject to the Scheme becoming effective, the Company will make an application to the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules for the withdrawal of the listing of the Shares on the Stock Exchange with effect from the Effective Date.

In compliance with Rule 20.1(a) of the Takeovers Code, after the Scheme has become effective, the Cancellation Price for the cancellation of the Scheme Shares will be paid to the relevant Scheme Shareholders whose names appear in the Register on the Scheme Record Date as soon as practicable, but in any event no later than seven (7) Business Days after the Effective Date.

Comparison of value

The Cancellation Price of HK\$0.60 represents:

- (a) a premium of approximately 7.14% over the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 15.38% over the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 9.09% over the average closing price of approximately HK\$0.55 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (d) a premium of approximately 1.69% over the average closing price of approximately HK\$0.59 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (e) a discount of approximately 6.25% to the average closing price of approximately HK\$0.64 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- (f) a discount of approximately 61.04% to the audited consolidated net asset value per Share of approximately RMB1.40 (equivalent to approximately HK\$1.54) as at 31 December 2023, based on (i) the audited consolidated net asset value of the Company of approximately RMB712,397,000 (equivalent to approximately HK\$782,853,846) as at 31 December 2023 and (ii) 508,104,000 Shares in issue as at the Latest Practicable Date; and
- (g) a discount of approximately 53.49% to the unaudited consolidated net asset value per Share of approximately RMB1.18 (equivalent to approximately HK\$1.29) as at 30 June 2024, based on (i) the unaudited consolidated net asset value of the Company of approximately RMB598,771,000 (equivalent to approximately HK\$657,990,110) as at 30 June 2024 and (ii) 508,104,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day and up to the Latest Practicable Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.88 on 17, 21 and 22 May 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.43 on 3 September 2024.

Basis for determining the Cancellation Price

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical traded prices of the Shares in the past year.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Dividend payment by the Company

As at the Latest Practicable Date, the Company has not declared any dividend which remains unpaid. The Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses or is withdrawn (as the case may be).

However, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

As at the Latest Practicable Date, there are 508,104,000 Shares in issue, and there are 133,104,000 Scheme Shares (representing approximately 26.20% of the issued share capital of the Company) in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.60 per Scheme Share and 133,104,000 Scheme Shares being in issue as at the Latest Practicable Date and assuming that there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$79,862,400, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares with the Offeror's internal cash resources.

Somerley has been appointed as financial adviser to the Offeror in respect of the Proposal and is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the cash consideration payable under the Proposal in accordance with its terms.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Shareholders;
- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;

- (d) the Grand Court's sanction of the Scheme (with or without modification) under section 86(2A) of the Companies Act and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the date of the Announcement, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other

circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

As at the Latest Practicable Date, save for the Conditions set out in paragraphs (f), (g) and (h) which have been fulfilled (but subject to their ongoing fulfillment), none of the Conditions have been fulfilled or waived (where applicable).

If approved, the Scheme will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company comprises 508,104,000 Shares;
- (b) the Offeror beneficially owns, controls or has direction over 300,000,000 Shares, representing approximately 59.04% of the issued Shares;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 75,000,000 Shares, representing approximately 14.76% of the issued Shares;
- (d) Somerley is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Somerley is presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Somerley does not hold any Shares;
- (e) the Independent Shareholders legally or beneficially own, control or have direction over a total of 133,104,000 Shares, representing approximately 26.20% of the issued Shares;
- (f) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (g) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (h) none of the Offeror nor any of the Offeror Concert Parties have had any dealings for value in the Shares during the Relevant Period;

- (i) neither the Offeror nor any of the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (j) neither the Offeror nor any of the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

All Scheme Shares will be cancelled and extinguished in consideration for the Cancellation Price in cash upon the Scheme becoming effective.

The table setting out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Scheme becoming effective is set out in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document.

INFORMATION ON THE GROUP

Your attention is drawn to the section headed “Information on the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

Your attention is drawn to the section headed “Information on the Offeror and the Offeror Concert Parties” in the Explanatory Memorandum in Part VI of this Scheme Document.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror with regard to the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

The Board welcomes the intention of the Offeror in respect of the Company and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Your attention is drawn to the section headed “Financial Adviser to the Offeror, Independent Board Committee and Independent Financial Adviser” in the Explanatory Memorandum in Part VI of this Scheme Document.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the terms of the Proposal are **not** fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Independent Shareholders to vote **against** the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part V of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the terms of the Proposal are **not** fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote **against** the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Board Committee is set out in Part IV of this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

WITHDRAWAL OF LISTING OF THE SHARES

Your attention is drawn to the section headed “Withdrawal of listing of the Shares” in the Explanatory Memorandum in Part VI of this Scheme Document.

OVERSEAS SCHEME SHAREHOLDERS

Your attention is drawn to the section headed “Overseas Scheme Shareholders” in the Explanatory Memorandum in Part VI of this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed “Taxation advice” in the Explanatory Memorandum in Part VI of this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be taken” on pages i to v of this Scheme Document.

COURT MEETING AND EGM

Notices convening the Court Meeting and the EGM to be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 14 February 2025, in the case of the Court Meeting at 9:00 a.m. and, in the case of the EGM at 10:00 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting), are set out in Appendix IV and Appendix V to this Scheme Document respectively.

The Grand Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Conditions (a) and (b) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

As soon as practicable after the conclusion or adjournment of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, approving all resolutions necessary for the implementation of the Proposal in the manner referred to in Condition (c) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document. An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code.

VOTING AT THE COURT MEETING AND THE EGM

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting.

As at the Latest Practicable Date, the Offeror holds 300,000,000 Shares in the Company and the Offeror Concert Parties hold 75,000,000 Shares, totalling 375,000,000 Shares in aggregate, representing approximately 73.80% of the total number of Shares in issue. These Shares will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective.

Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme and will execute and do all things as may be necessary or desirable to be executed and done by it for the purposes of the Scheme.

In addition, the Offeror and the Offeror Concert Parties will:

- (a) acknowledge that the Shares held by them will not form part of the Scheme Shares under the Scheme and will not be cancelled and extinguished when the Scheme becomes effective;
- (b) undertake that, even if the Scheme is extended to them, they will not accept the Scheme in respect of the Shares held by them;
- (c) undertake that they will not sell, transfer, pledge or otherwise dispose of any Shares held by them, or directly or indirectly deal or acquire any shares, securities or other interests of the Company before the end of the Offer Period; and
- (d) undertake that, unless the Scheme or the Proposal prejudice their legal rights and interests, they will not take any action or enter into agreements or arrangements which may: (i) restrict or delay the progress of the Scheme or the Proposal; or (ii) prejudice the successful outcome of the Scheme or the Proposal.

All Shareholders will be entitled to vote on (i) the special resolution to be proposed at the EGM to approve and give effect to the Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company’s books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the resolution(s) to be proposed at the EGM.

RECOMMENDATIONS

With reference to Rule 2.1 of the Takeovers Code, the Board defers to the Independent Board Committee with respect to the making of a recommendation to the Independent Shareholders (i) as to whether the Proposal is, or is not, fair and reasonable and (ii) as to voting at the Court Meeting and the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

FURTHER INFORMATION

You are urged to read the whole of this Scheme Document, in particular:

- (a) the letter from the Independent Board Committee in Part IV of this Scheme Document;
- (b) the letter from the Independent Financial Adviser in Part V of this Scheme Document;
- (c) the Explanatory Memorandum in Part VI of this Scheme Document;
- (d) the appendices to this Scheme Document, including the Scheme set out in Appendix III to this Scheme Document; and
- (e) the notice of Court Meeting and the notice of EGM set out in Appendix IV and Appendix V to this Scheme Document, respectively.

In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Yours faithfully
By order of the Board



Ronshine Service Holding Co., Ltd
Ou Guofei
Chairman