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# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or other registered securities institution, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered securities institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This Scheme Document appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction. This Scheme Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Scheme Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. Overseas Scheme Shareholders are advised to read the section headed "Overseas Scheme Shareholders" in the Explanatory Memorandum in Part VI of this Scheme Document for further information.

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## Rongxin Yipin Co., Ltd

*(Incorporated in the British Virgin Islands with limited liability)*



## 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)**

# (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

**Financial Adviser to the Offeror**



**SOMERLEY CAPITAL LIMITED**

**Independent Financial Adviser to the Independent Board Committee**



**Lego Corporate  
Finance Limited**

力高企業融資有限公司

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Unless the context otherwise requires, capitalized terms used hereunder have the same meanings as those defined in Part I of this Scheme Document.

A letter from the Board is set out in Part III of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Proposal and as to voting is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and as to voting is set out in Part V of this Scheme Document. An Explanatory Memorandum regarding the Proposal is set out in Part VI of this Scheme Document.

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. Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed on them respectively, and to lodge them at the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated in the section headed "ACTIONS TO BE TAKEN" of this Scheme Document. Alternatively, the **pink** form of proxy in respect of the Court Meeting may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy in respect of the EGM will not be valid if it is not so lodged. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting at the relevant meeting or any adjournment thereof should you so wish, and in such event, the relevant form of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by the Offeror and the Company. In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text for the purpose of interpretation.

23 January 2025

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## **ACTIONS TO BE TAKEN**

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### **NOTICE TO OVERSEAS SCHEME SHAREHOLDERS**

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any actions in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from the Scheme Shareholder in such jurisdiction. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

Any acceptance of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Somerley and the Independent Financial Adviser, that those laws and regulatory requirements have been complied with. For the avoidance of doubt, neither HKSCC or HKSCC Nominees Limited will give, or be subject to, the above warranty and representation.

Scheme Shareholders residing in jurisdictions other than Hong Kong should consult their own professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be.

Overseas Shareholders are advised to read the section headed “Overseas Scheme Shareholders” in the Explanatory Memorandum in Part VI of this Scheme Document for further information.

### **PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group. This Scheme Document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions and you should not place undue reliance on such forward-looking statements and opinions. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of the Offeror, the Company, Somerley, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal assumes any obligation to correct or update the forward-looking statements or opinions contained in this Scheme Document.

### **ACTIONS TO BE TAKEN BY SHAREHOLDERS**

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the Register will be closed from Tuesday, 11 February 2025 to Friday, 14 February 2025 (both days inclusive) and

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## ACTIONS TO BE TAKEN

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during such period, no transfer of Shares will be effected. In order to qualify to attend and vote at the Court Meeting and/or the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on Monday, 10 February 2025.

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the EGM are enclosed with this Scheme Document.

**Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the EGM in accordance with the instructions printed on them respectively, and to deposit them at the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.**

In order to be valid, the **pink** form of proxy for use in connection with the Court Meeting must be lodged not later than 9:00 a.m. on Wednesday, 12 February 2025 (or not later than 48 hours before the time appointed for holding an adjourned Court Meeting). Alternatively, the **pink** form of proxy may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy for use in connection with the EGM must be lodged not later than 10:00 a.m. on Wednesday, 12 February 2025 (or not later than 48 hours before the time appointed for holding an adjourned EGM), failing which it will not be valid. The completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the relevant forms of proxy will be revoked by operation of law.

**If you do not appoint a proxy and if you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and/or the EGM. You are therefore strongly encouraged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.**

Voting at the Court Meeting and the EGM will be taken by poll.

### **Announcement of results of the Court Meeting and the EGM**

Joint announcement(s) will be made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. If all of the requisite resolutions are passed at those meetings, further announcement(s) will be made in relation to, amongst other things, the results of the Court Hearing, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

**Shareholders who have sold/transferred Shares should hand this Scheme Document and forms of proxy to the purchaser/transferee.**

If you have sold or transferred all of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## ACTIONS TO BE TAKEN

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**Shareholders and potential investors of the Company are advised to read this Scheme Document carefully, in particular, (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, before voting at the Court Meeting and/or the EGM.**

### **Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS**

The Company will not recognize any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons if he/she/it wishes to vote in respect of the Scheme; or
- (b) arrange for some or all of your Shares to be withdrawn from CCASS and transferred them into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 10 February 2025 with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the "Operating Guide for Investor Participants", the "General Rules of CCASS" and the "CCASS Operational Procedures" in effect from time to time.

### **Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner other than HKSCC Nominees Limited**

The Company will not recognize any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other authorized custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

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## ACTIONS TO BE TAKEN

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If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all Shares registered in the name of the Registered Owner to be transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 10 February 2025 with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfer of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy or, as applicable, transfer documents accurately and to submit them by the relevant deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfer of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

### EXERCISE YOUR RIGHT TO VOTE

**If you are a Shareholder or a Beneficial Owner whose Shares are held by a Registered Owner, you are strongly encouraged to exercise your right to vote or to give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM. If you keep any Shares in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.**

**If you are a Beneficial Owner whose Shares are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which those Shares should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Shares from CCASS and become a Registered Owner of such Shares and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.**

**If you are a Registered Owner holding Shares on behalf of Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote and that Beneficial Owners should consider transferring some or all of their Shares into their own names if they wish to vote individually.**

**If you are in any doubt as to the action to be taken, you are encouraged to consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.**

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## ACTIONS TO BE TAKEN

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### PETITION HEARING AT THE GRAND COURT

Any Scheme Shareholders who voted at the Court Meeting (including any beneficial owners who gave any voting instructions to a custodian or clearing house who subsequently voted at the Court Meeting) should note that they are entitled to attend or appear by counsel, and be heard at the Court Hearing in the Cayman Islands which is expected to be on 12 March 2025 at 10:00 a.m. (Cayman Islands time), at which the Company will seek, amongst other things, the sanction of the Scheme.

### NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the US. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws. In addition, US holders of Scheme Shares should be aware that this Scheme Document has been prepared in accordance with Hong Kong format and style, which differs from US format and style.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

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*In this Scheme Document, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Announcement”	the announcement dated 22 November 2024 jointly issued by the Offeror and the Company in relation to the Proposal
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, approvals, permits, consents, permissions, clearances and registrations
“associate(s)”	has the meaning given to it in the Takeovers Code
“Authority”	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner(s) other than himself or herself
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for transaction for business
“Cancellation Price”	the cancellation price of HK\$0.60 per Scheme Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant, general clearing participant, a custodian participant or an Investor Participant who may be an individual or joint individuals or a corporation
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, as consolidated and revised from time to time



“Company”	Ronshine Service Holding Co., Ltd (融信服務集團股份有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2207)
“Condition(s)”	the condition(s) to the Proposal as set out 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
“controlling shareholder(s)”	has the meaning given to it in the Listing Rules
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme and confirming the Reduction
“Court Meeting”	a meeting of the Scheme Shareholders convened at the directions of the Grand Court to be held at 9:00 a.m. on Friday, 14 February 2025 at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong, notice of which is set out in Appendix IV to this Scheme Document, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“EGM”	an extraordinary general meeting of the Company to be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 14 February 2025 at 10:00 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting), notice of which is set out in Appendix V to this Scheme Document, for the purpose of approving all necessary resolutions for the implementation of the Proposal, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum in relation to the Scheme set out in Part VI of this Scheme Document

“Family Trust”	the family trust established by Mr. Ou Zonghong as the settlor and protector, with HSBC International Trustee Limited as the trustee
“Fumei International”	Fumei International Co., Ltd (福美國際有限公司), a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Rongan Juxiang and is one of the controlling shareholders of the Company
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the rules of the Grand Court (2023 Revision) as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Computershare Hong Kong Investors Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Independent Board Committee”	the independent board committee of the Company comprising the following independent non-executive Directors: Mr. Chen Zhangwang, Mr. Kwok Kin Kwong Gary and Mr. Lin Zhongxiaolu
“Independent Financial Adviser” or “Lego”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties

“Investor Participant”	person(s) admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Last Trading Day”	15 November 2024, being the last day on which Shares were traded on the Stock Exchange prior to the trading suspension in the Shares pending the publication of the Announcement
“Latest Practicable Date”	20 January 2025, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2025 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as permitted by the Executive)
“Meeting Record Date”	14 February 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and entitlement of the Shareholders to attend and vote at the EGM
“Mr. Ou Zonghong”	Mr. Ou Zonghong (歐宗洪), the former chairman of the Board and former executive Director of the Company, and one of the controlling shareholders of the Company
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (being 22 November 2024) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme

“Offeror”	Rongxin Yipin Co., Ltd (融心一品有限公司), a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Rongan Juxiang and is one of the controlling shareholders of the Company
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including but not limited to Fumei International, Rongan Juxiang, Mr. Ou Zonghong and Somerley
“PRC”	the People’s Republic of China, but for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to the conditions as described in this Scheme Document
“Reduction”	the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Registered Owner”	any person(s) (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the Register as the holder of the Share(s)
“Relevant Period”	the period commencing on 22 May 2024, being the date falling six months preceding the commencement date of the Offer Period and ending on and including the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Rongan Juxiang”	Rongan Juxiang Co., Ltd, a special purpose holding vehicle incorporated in the British Virgin Islands with limited liability, which is wholly owned by HSBC International Trustee Limited, the trustee of the Family Trust
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal

“Scheme Document”	this composite scheme document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Record Date”	14 March 2025 (or such other date as may be announced to the Shareholders), being the record date for the purpose of determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror and Fumei International
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal
“Stamp Duty Ordinance”	the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US” or “United States”	United States of America
“%”	per cent

*All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Court Hearing and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.*

*For the purpose of this Scheme Document and for illustrative purpose only, RMB is converted into HK\$ at the exchange rate of HK\$1 to RMB0.91. No representation is made that any amounts in HK\$ or RMB has been or could be converted at the above rates or any other rates.*

*The following timetable takes into account the procedures of the Grand Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.*

**Hong Kong date and time  
(unless otherwise specified)**

Date of despatch of this Scheme Document . . . . . Thursday, 23 January 2025

Latest time for lodging transfers of Shares documents  
to qualify for entitlement to attend and vote  
at the Court Meeting and the EGM . . . . . 4:30 p.m. on  
Monday, 10 February 2025

Closure of the Register for determining  
entitlement to attend and vote at  
the Court Meeting and the EGM (*Note 1*) . . . . . from Tuesday, 11 February 2025 to  
Friday, 14 February 2025 (both days inclusive)

Latest time for lodging **pink** form of proxy  
in respect of the Court Meeting (*Note 2*) . . . . . 9:00 a.m. on  
Wednesday, 12 February 2025

Latest time for lodging **white** form of proxy  
in respect of the EGM (*Note 2*) . . . . . 10:00 a.m. on  
Wednesday, 12 February 2025

Meeting Record Date . . . . . Friday, 14 February 2025

Court Meeting (*Notes 2 and 3*) . . . . . 9:00 a.m. on  
Friday, 14 February 2025

EGM (*Notes 2 and 3*) . . . . . 10:00 a.m. on  
Friday, 14 February 2025  
(or as soon as practicable after the conclusion or  
adjournment of the Court Meeting)

Announcement of the results of  
the Court Meeting and the EGM . . . . . not later than 7:00 p.m. on  
Friday, 14 February 2025

Expected last day for trading in the Shares  
on the Stock Exchange . . . . . Friday, 28 February 2025

Latest time for lodging transfers of Shares to  
qualify for entitlements under the Scheme . . . . . 4:30 p.m. on  
Tuesday, 11 March 2025

Closure of the Register for determining  
entitlement under the Scheme (*Note 4*) . . . . . from Wednesday, 12 March 2025 onwards

Court Hearing . . . . . Wednesday, 12 March 2025  
(Cayman Islands time)

Announcement of (1) the results of  
the Court Hearing; (2) the expected  
Effective Date; and (3) the expected date of  
the withdrawal of the listing of the Shares on  
the Stock Exchange . . . . . at or before 8:30 a.m. on  
Thursday, 13 March 2025

Scheme Record Date . . . . . Friday, 14 March 2025

Effective Date (*Note 5*) . . . . . Friday, 14 March 2025  
(Cayman Islands time)

Announcement of (1) the Effective Date; and  
(2) the withdrawal of the listing of  
the Shares on the Stock Exchange . . . . . at or before 8:30 a.m. on  
Monday, 17 March 2025

Withdrawal of listing of the Shares on  
The Stock Exchange becomes effective (*Note 5*) . . . . . 4:00 p.m. on  
Tuesday, 18 March 2025

Latest date to despatch cheques for payment of  
the Cancellation Price to the Scheme Shareholders (*Note 6 and 7*) . . . . . on or before  
Tuesday, 25 March 2025

*Notes:*

1. The Register will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM must be completed and signed in accordance with the instructions respectively printed thereon. The **pink** form of proxy in respect of the Court Meeting must be lodged with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above (or not later than 48 hours before the time appointed for holding an adjourned Court Meeting). Alternatively, the **pink** form of proxy in respect of the Court Meeting may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy in respect of the EGM must be lodged with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above (or not later than 48 hours before the time appointed for holding an adjourned EGM), failing which, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he/she/it so wishes. In such event, the relevant form of proxy will be revoked by operation of law.



3. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meetings.
4. The Register will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme.
5. The Scheme will become effective upon all the Conditions set out 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 having been fulfilled or waived (as applicable). The withdrawal of listing of Shares will take place as soon as practicable after the Effective Date. Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective and the exact date of withdrawal of the listing of the Shares on the Stock Exchange. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.
6. Cheques for entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to them at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Somerley, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be responsible for any loss or delay in despatch.
7. If there is a “black” rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions announced by the Government of Hong Kong:
  - (a) in force in Hong Kong at 12:00 noon but no longer in force after 12:00 noon on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will remain on the same Business Day;  
or
  - (b) in force in Hong Kong at 12:00 noon and/or thereafter on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will be rescheduled to the following Business Day which will not have any of such warnings or conditions in force in Hong Kong at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.



**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*



**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)**

23 January 2025

*To the Independent 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**

We refer to the scheme document (the “**Scheme Document**”) dated 23 January 2025 jointly issued by the Company and the Offeror in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme and as to voting of the relevant resolutions at the Court Meeting and the EGM.

Lego Corporate Finance Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Scheme and our recommendation as to voting of the relevant resolutions at the Court Meeting and the EGM. The details of its advice and the principal factors taken into consideration in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” in Part V of this Scheme Document.

We wish to draw your attention to (a) the “Letter from the Board” as set out in Part III of the Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part V of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Memorandum as set out in Part VI of the Scheme Document.

Having considered the terms of the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in its letter, we consider the terms of the Proposal are **not** fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend:

- (1) the Independent Shareholders to vote **against** the resolution to approve the Scheme at the Court Meeting; and
- (2) the Shareholders to vote **against** (i) the special resolution to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to simultaneously upon the reduction of issued share capital increase the issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and to apply the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of new Shares so allotted and issued to the Offeror, at the EGM.

Yours faithfully,

**Independent Board Committee**

**Mr. Chen Zhangwang**  
*Independent non-executive  
Director*

**Mr. Kwok Kin Kwong Gary**  
*Independent non-executive  
Director*

**Mr. Lin Zhongxiaolu**  
*Independent non-executive  
Director*

*The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposal and the Scheme, which has been prepared for the purpose of inclusion in this Scheme Document.*



23 January 2025

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs or Madams,

**(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**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposal and the Scheme, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) and the explanatory memorandum (the “**Explanatory Memorandum**”) contained in the scheme document jointly issued by the Offeror and the Company dated 23 January 2025 (the “**Scheme Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Scheme Document unless the context otherwise requires.

Reference is made to the Announcement. On 22 November 2024, the Offeror requested the Board put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme, which, if approved and implemented, will result in the Company being taken private by the Offeror under section 86 of the Companies Act and the withdrawal of the listing of the Shares on the Stock Exchange, involving the cancellation and extinguishment of 133,104,000 Scheme Shares in issue. The total amount of cash required to implement the Proposal in full would be HK\$79,862,400.

The Independent Board Committee, which comprises Mr. Chen Zhangwang, Mr. Kwok Kin Kwong Gary and Mr. Lin Zhongxiaolu, all being independent non-executive Directors, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM. The Independent Board Committee has approved our appointment as the Independent Financial Adviser. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company and the Offeror that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. We are not associated or connected with the Company, the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. In the last two years, we have not acted as an independent financial adviser or a financial adviser to the Company or the Offeror. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, which is not conditional upon passing of the resolutions to be proposed at the Court Meeting and the EGM, no arrangement exist whereby we have received or will receive any fees or benefits from the Company, the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in respect of the Proposal and the Scheme.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have reviewed, among other things, (i) the Announcement; (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); (iii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); and (iv) other information contained in the Scheme Document.

We have relied on (i) the information and facts contained or referred to in the Scheme Document; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us by the Directors and/or the Management, for which they are solely and wholly responsible for, or contained or referred to in the Scheme Document were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Scheme Document are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Scheme Document were reasonably made after due and careful enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management and/or the advisers of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Scheme Document and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. Shareholders will be informed of any material changes to such representations and/or our opinion as soon as possible until the Scheme becomes effective or the Proposal lapses in compliance with Rule 9.1 of the Takeovers Code.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Scheme Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries or associates or any party acting, or presumed to be acting, in concert with any of them.

We have not considered the tax and regulatory implications on the Scheme Shareholders as a result of the Proposal, if implemented, since these are particular to their individual circumstances. In particular, the Scheme Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on security dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

## **PRINCIPAL TERMS OF THE PROPOSAL AND THE SCHEME**

Set out below are the terms of the Proposal and the Scheme, details of which are set out in the Letter from the Board and the Explanatory Memorandum. The Independent Shareholders are encouraged to read the Scheme Document and its appendices in full.

### **1. 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 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.

### **2. Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historic 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.**



### 3. 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). Details of the Conditions are set out in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum. The conditions include:

- (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 had 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.

**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.**

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Proposal and the Scheme, we have taken into account the following principal factors and reasons:

### 1. Background information of the Group

#### 1.1 Principal businesses and information of the Group

The Group is a property management services provider in the PRC, offering diversified property management services for both residential and non-residential properties. The Group is primarily engaged in the provision of (i) property management services; (ii) value-added services to non-property owners, which include (a) sales assistance services; (b) preliminary planning, design consultancy and pre-delivery services; and (c) driving and vehicle dispatching and managing services; and (iii) community value-added services, which include (a) community shopping services; (b) decoration and furnishing services and home maintenance services; (c) property agency services; and (d) ancillary services for common areas, which primarily include advertising in and rental of common areas of residential properties under the Group's management.

#### 1.2 Historical financial information

The following is a summary of certain financial information of the Group for the years ended 31 December 2022 and 2023 and the six months ended 30 June 2023 and 2024 as extracted from the 2023 Annual Report and the 2024 Interim Report, respectively.

	Year ended 31 December		Six months ended 30 June	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)	(unaudited)
<b>Revenue</b>				
– Property management services	607,615	712,668	347,699	357,845
– Value-added services to non-property owners	221,658	125,896	65,530	40,914
– Community value-added services	47,567	62,623	24,815	26,318
<b>Total revenue</b>	<b>876,840</b>	<b>901,187</b>	<b>438,044</b>	<b>425,077</b>
<b>Cost of sales</b>	<b>(703,937)</b>	<b>(728,786)</b>	<b>(353,793)</b>	<b>(344,656)</b>
<b>Administrative expenses</b>	<b>(90,919)</b>	<b>(74,218)</b>	<b>(34,701)</b>	<b>(34,429)</b>
<b>Net impairment losses on financial assets</b>	<b>(56,611)</b>	<b>(82,765)</b>	<b>(32,964)</b>	<b>(195,960)</b>
<b>Profit/(loss) for the year/period attributable to the Shareholders</b>	<b>15,528</b>	<b>10,658</b>	<b>12,585</b>	<b>(113,626)</b>

	As at 31 December		As at
	2022	2023	30 June
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)
Non-current assets	34,184	54,654	98,825
Current assets	1,163,839	1,243,386	1,055,591
– Trade and other receivables and prepayments	437,518	489,844	370,387
– Cash and cash equivalents	724,110	751,803	674,307
<b>Total assets</b>	<b>1,198,023</b>	<b>1,298,040</b>	<b>1,154,416</b>
Current liabilities	493,231	583,326	555,007
– Contract liabilities	95,690	127,802	106,666
– Trade and other payables	346,977	388,773	375,172
Non-current liabilities	3,053	2,317	638
<b>Total liabilities</b>	<b>496,284</b>	<b>585,643</b>	<b>555,645</b>
<b>Net assets</b>	<b>701,739</b>	<b>712,397</b>	<b>598,771</b>

*For the years ended 31 December 2022 and 2023*

Total revenue of the Group increased from approximately RMB876.8 million for the year ended 31 December 2022 to approximately RMB901.2 million for the year ended 31 December 2023. As disclosed in the 2023 Annual Report, although value-added services to non-property owners decreased from approximately RMB221.7 million for the year ended 31 December 2022 to approximately RMB125.9 million for the year ended 31 December 2023 since the continued downturn in the real estate market in the PRC and resulted in the decrease in demand for services by property developers, the Group's overall revenue still increased, which was mainly attributable to (i) the increase in newly delivered projects, which resulted in the increase in revenue from property management services; and (ii) the expansion of home services, which resulted in the increase in revenue from community value-added services.

The Group's profit attributable to the Shareholders decreased from approximately RMB15.5 million for the year 31 December 2022 to approximately RMB10.7 million for the year ended 31 December 2023. As disclosed in the 2023 Annual Report, such decrease was primarily due to the combined effects of (i) the increase in net impairment losses on financial assets of approximately RMB26.2 million, mainly attributable to the loss allowance provision for trade and other receivables due from related parties and third parties; (ii) the decrease in

administrative expenses of approximately RMB16.7 million, primarily due to the implementation of costs control measures by the Company; and (iii) the decrease in sales and marketing expenses of approximately RMB3.3 million, primarily due to the decrease in marketing activities.

As at 31 December 2023, the Group recorded net assets of approximately RMB712.4 million. As at 31 December 2023, the Group's total assets amounted to approximately RMB1,298.0 million, which mainly include, among others, (i) cash and cash equivalents of approximately RMB751.8 million, which remained relatively stable at a high level as further discussed in the below section headed "5. Other factors considered"; (ii) trade and other receivables and prepayments of approximately RMB489.8 million, which has generally increased in line with the increase in revenue during the year; and (iii) deferred income tax assets of approximately RMB36.4 million. The Group's total liabilities amounted to approximately RMB585.6 million, which mainly include, among others, (i) trade and other payables of approximately RMB388.8 million, which has increased in line with the increase in cost of sales during the year; (ii) contract liabilities of approximately RMB127.8 million, which has increased in line with the increase in advance payments made by customers while the underlying property management services are yet to be provided; and (iii) current income tax liabilities of approximately RMB64.4 million.

*For the six months ended 30 June 2023 and 2024*

Total revenue of the Group decreased from approximately RMB438.0 million for the six months ended 30 June 2023 to approximately RMB425.1 million for the six months ended 30 June 2024. As disclosed in the 2024 Interim Report, such decrease was mainly attributable to the combined effects of (i) the slight increase in newly delivered projects, which resulted in the increase in revenue from property management services; and (ii) the decrease in revenue generated from value-added services to non-property owners, primarily due to the continued downturn in the real estate market in the PRC, which resulted in the decreased demand for services by property developers.

The Group recorded net loss attributable to the Shareholders of approximately RMB113.6 million for the six months ended 30 June 2024 as compared to a profit attributable to the Shareholders of approximately RMB12.6 million for the six months ended 30 June 2023. As disclosed in the 2024 Interim Report, such decrease was primarily due to the increase in net impairment losses on financial assets of approximately RMB163.0 million, mainly attributable to the impairment of the expected credit loss of the trade and other receivables due from related parties of approximately RMB147.0 million, according to the impairment tests on the carrying amount of trade receivables and other receivables and reasonable impairment provisions made based on the principle of prudence. Please refer to the below sub-section headed "Recoverability of the Group's trade and other receivables due from related parties and third parties" for further details of the net impairment losses on financial assets.

As at 30 June 2024, the Group recorded net assets of approximately RMB598.8 million. As at 30 June 2024, the Group's total assets amounted to approximately RMB1,154.4 million, which mainly include, among others, (i) cash and cash equivalents of approximately RMB674.3 million, which remained relatively stable at a high level as further discussed in the below section headed "5. Other factors considered"; (ii) trade and other receivables and prepayments of approximately RMB370.4 million, which has decreased due to the aforesaid impairment losses during the period; and (iii) deferred income tax assets of approximately RMB85.0 million. The Group's total liabilities amounted to approximately RMB555.6 million, which mainly include, among others, (i) trade and other payables of approximately RMB375.2 million; (ii) contract liabilities of approximately RMB106.7 million; and (iii) current income tax liabilities of approximately RMB72.0 million.

*Deteriorating financial performance as a result of the industry downturn*

Based on the abovementioned, despite the increase in the Group's revenue generated from the property management services business for the year ended 31 December 2023 and the six months ended 30 June 2024, we noted that the Group's financial performance has been inevitably affected by the macroeconomic downturn and the deteriorating industry outlook in the property development related sectors in the PRC. As disclosed in the 2023 Annual Report and 2024 Interim Report, (i) the number of contracted projects and the total contracted gross floor area ("GFA") of the Group as at 31 December 2023 decreased by approximately 5.7% and 11.8%, respectively, as compared to those as at 31 December 2022; and (ii) the number of contracted projects and the total contracted GFA of the Group as at 30 June 2024 decreased by approximately 2.7% and 10.9%, as compared to those as at 31 December 2023.

Furthermore, based on (i) the 2023 Annual Report and the 2024 Interim Report; and (ii) the prospectus of the Company dated 30 June 2021, the net profit margin of the Group amounted to approximately 8.8%, 13.5%, 11.0%, 11.3%, 1.8% and 1.2% for the six years ended 31 December 2023, respectively. Based on our discussion with the Management, we were given to understand that the declining net profit margin of the Group since 2022 was primarily attributable to the continuous downturn of the real estate market in the PRC, which is also a common industry trend for companies principally engaged in the provision of property management services in the PRC. Based on our independent research as set out in the section headed "4. Comparable Companies", we noted that ten out of the 25 Comparable Companies recorded net losses for their latest audited financial year. The remaining Comparable Companies recorded net profit margins for their respective latest audited financial year, ranged from approximately 1.0% to 20.6%, with an average of approximately 7.2% and a median of approximately 5.4%. As such, the Group's relatively thin net profit margins for the two years ended 31 December 2023 were generally in line with the industry trend.

Having said that, the future performance of the Group's property management services business is expected to remain uncertain with the continuous decline in its number of contracted projects and contracted GFA.

*Recoverability of the Group's trade and other receivables due from related parties and third parties*

Based on the 2024 Interim Report, the Group's trade and other receivables due from related parties and third parties amounted to approximately RMB358.6 million as at 30 June 2024. The Group's impairment losses on financial assets amounted to approximately RMB196.0 million for the six months ended 30 June 2024, representing a significant period-on-period increase of approximately 494.5%, as a result of the impairment assessments on the carrying amount of trade and other receivables performed by an independent valuer appointed by the Group (the "Valuer") and the Management. Among which, approximately RMB147.0 million of the impairment losses were arisen from the trade and other receivables due from related parties. Such receivables were arisen in the ordinary and usual course of business of the Group and were within the scope of the continuing connected transactions conducted between the Group and Ronshine China Holdings Limited ("Ronshine China") (stock code: 3301) and its subsidiaries. Ronshine China is primarily engaged in the development of mid-to-high-end residential properties, and the development of commercial properties integrated with or in the vicinity of its residential properties, including office buildings, retail shops and other commercial properties in the PRC.

As disclosed in the published financial reports of Ronshine China, we noted that Ronshine China has recorded substantial net losses of approximately RMB12.4 billion and RMB6.8 billion for the years ended 31 December 2022 and 2023, respectively. Since the second half of 2021, the business environment of the real estate industry in the PRC has undergone major changes, with increased difficulties in financing confronted by real estate companies. A number of real estate companies have consecutively encountered debt repayment issues, indicating an accelerated deterioration of the industry's business environment. As a result, Ronshine China required longer time than expected to realise cash from its properties and/or to obtain cash from external financing to meet its loan repayment obligations.

Considering (i) the material uncertainty regarding Ronshine China's ability to continue as a going concern as disclosed in its financial reports; and (ii) the liquidity distress commonly faced by market participants in the value chain of the real estate industry in the PRC, the Management are of the view that the Group shall remain prudently cautious and closely monitor the outstanding balance of its trade and other receivables due from related parties and third parties, which mainly comprised property developers and property management services providers in the PRC, which may in turn have an impact on the net asset value of the Group.

**1.3 Prospect of the Group and the real estate market in the PRC**

We noted from the 2023 Annual Report and the 2024 Interim Report that the Group is principally engaged in the provision of property management services and related value-added services, including pre-delivery services, household assistance service, sales services and other services, in the PRC. Based on our discussion with the Management, we were given to understand that the business performance of the Group has been affected by

the challenges faced by the PRC economy, including the weak market sentiment, declining customer demand and the prolonged downturn of the real estate industry, which continued to arouse uncertainty in the prospect of the Group.

For due diligence purpose, we have conducted desktop research on the real estate market in the PRC. Based on the latest statistical data published by the National Bureau of Statistics of the PRC (國家統計局) (*source: website of the National Bureau of Statistics of the PRC (<https://www.stats.gov.cn/>)*) in January 2025 regarding the PRC's real estate market, the overall investment amount in property development was approximately RMB10.0 trillion for the year ended 31 December 2024, representing a decrease of approximately 10.6% on a year-on-year basis. The newly-constructed properties available for sale amounted to approximately 737.4 million sq.m for the year ended 31 December 2024, representing a year-on-year decline of approximately 27.7%. The sales price of newly-built commercial properties in first-tier cities fell by approximately 3.8% year-on-year, and the sales price of second-hand properties in first-tier cities fell by approximately 6.7% year-on-year, for the year ended 31 December 2024. For second-tier cities in the PRC, the sales price of newly-built commercial properties fell by approximately 5.4% year-on-year, and the sales price of second-hand properties fell by approximately 7.9% year-on-year, for the year ended 31 December 2024.

In addition, according to the research report published by the China Real Estate Association\* (中國房地產業協會) (*source: the website of the China Real Estate Association (<http://www.fangchan.com>)*), an industry association organised by enterprises which principally engaged in property development, property management and construction, for the eleven months ended 30 November 2024, the sales area of newly built commercial properties has declined by approximately 14.3%, with residential sales area decreased by approximately 16.0%, as compared to the corresponding period in 2023. The total sales of newly built commercial properties amounted to approximately RMB8,512.5 billion, representing a decrease of approximately 19.2% as compared to the corresponding period in 2023, while residential sales have dropped by approximately 20.0% during the period. Overall, the real estate industry in the PRC still faces great downward pressure from the upstream to downstream participants of the industry value chain. The declining number of completed construction projects which are available for sales is expected to affect the demand for the Group's property management services in the foreseeable future. The continued market downturn will also result in a decrease in demand for other relevant services from property developers, including the Group's value-added services to non-property owners and community value-added services.

Based on the abovementioned and our discussion with the Management, we were given to understand that the real estate market in the PRC, and thus the business performance of the Group, have continued to face a downward pressure in the recent years, where the investments in property development continued to decline with newly-constructed and completed property areas remained at historically low levels. With the aim to stimulate market activity and to promote the steady and healthy development of the real estate market, relevant government authorities in the PRC have continued to actively explore and implement real estate support policies, including but not limited to, (i) the lowering of the minimum down payment ratio for individual's commercial housing mortgages for purchases of first and second homes in May 2024; (ii) the establishment of a nationwide program



regarding the RMB300 billion affordable housing refinancing loan set up by the People's Bank of China in May 2024; and (iii) the lowering of residential mortgage interest rates in September 2024. The effects of the policies and market incentives may require additional time to gradually take shape, and it remains uncertain as to whether such measures are effective in reversing the general downward trend of the industry.

Notwithstanding the slight increase in the Group's revenue generated from the property management services business for the year ended 31 December 2023 and the six months ended 30 June 2024, considering the abovementioned factors, the continuously declining number of contracted projects and contracted GFA of the Group as discussed in the sub-section headed "1.2 Historical financial information" above, and our discussion with the Management, we concur with the Management that the development of the Group's property management service business may continue to be hindered, which may arouse uncertainty in the prospect of the Group in the foreseeable future under the challenging real estate market condition in the PRC.

**2. Information on the Offeror and Offeror Concert Parties, and the Offeror's intention with regard to the Group**

*Information on the Offeror and Offeror Concert Parties*

Each of the Offeror and Fumei International is a company incorporated in the British Virgin Islands with limited liability and has been one of the controlling shareholders of the Company since the Listing.

As at the Latest Practicable Date, each of the Offeror and Fumei International is wholly-owned by Rongan Juxiang, which is a special purpose holding vehicle held by HSBC International Trustee Limited as trustee of the Family Trust. Mr. Ou Zonghong is the settlor and protector of the Family Trust.

The Offeror does not have any subsidiaries. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will become subsidiaries of the Offeror.

As at the Latest Practicable Date, the sole director of the Offeror is Mr. Ou Zonghong.

Mr. Ou Zonghong is the former chairman of the Board and a former executive Director of the Company, and is the father of Mr. Ou Guofei, the current chairman of the Board and an executive Director of the Company. Mr. Ou Zonghong resigned from all positions in the Company with effect from 12 September 2023.

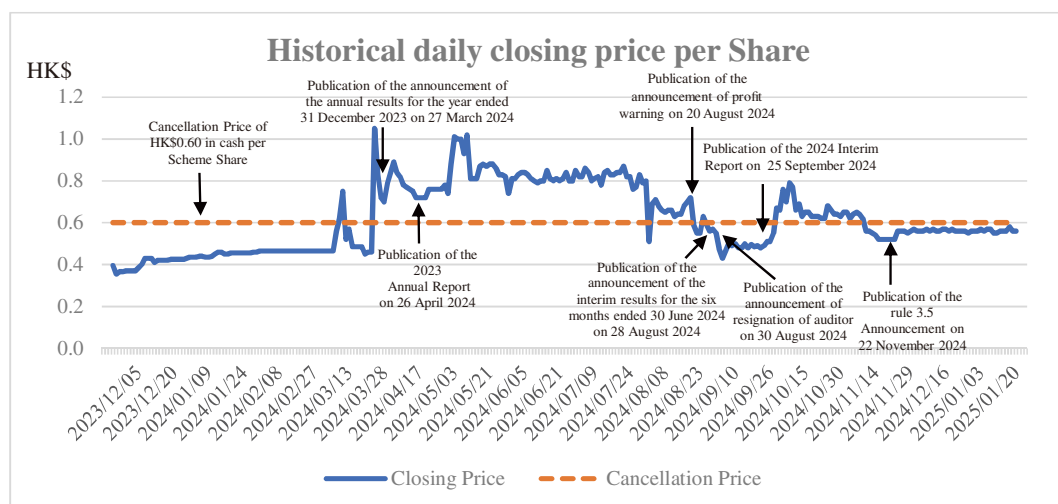
*Intention of the Offeror with regard to the Group*

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention to make any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

### 3. Analysis of price performance of the Shares

#### 3.1 Historical price performance of the Shares

The chart below illustrates the daily closing price per Share as quoted on the Stock Exchange during the period from 23 November 2023 (being approximately one year prior to the date of the Announcement) up to and including the Latest Practicable Date (the “**Review Period**”), against the illustrative Cancellation Price of HK\$0.60 per Scheme Share. We consider that the Review Period of approximately one year prior to the date of the Announcement up to and including the Latest Practicable Date to be reasonable, sufficient and representative to illustrate a holistic view of the general performance of the recent Share prices, where the prevailing market sentiment can be reflected by such Share price movements and provide a meaningful comparison with the Cancellation Price.



Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

During the Review Period, the daily closing price per Share ranged from HK\$0.355 to HK\$1.05, with an average closing price of HK\$0.618. Specifically, the highest closing price of HK\$1.05 was observed on 25 March 2024, while the lowest closing price of HK\$0.355 occurred on 24 November 2023. The Cancellation Price represents (i) a discount of approximately 2.9% as compared to the average closing price; (ii) a discount of approximately 42.9% to the highest closing price; and (iii) a premium of approximately 69.0% over the lowest closing price, during the Review Period. Out of the 284 trading days during the Review Period, 154 trading days exhibited a closing price per Share below the Cancellation Price of HK\$0.60 per Scheme Share, which represented approximately 54.2% of the duration of the Review Period.

Since the beginning of the Review Period, closing price of the Shares remained relatively stable at an average level of approximately HK\$0.44 per Share until 6 March 2024. Thereafter, closing price of the Shares had rose to HK\$0.75 per Share on 11 March 2024 and gradually returned to the previous level of around HK\$0.46 per Share until 22 March 2024. The closing price of the Shares surged to HK\$1.05 per Share on 25 March 2024, then decreased to HK\$0.72 on 27 March 2024 (being the date of the Company's announcement of the annual results for the year ended 31 December 2023), and rose to HK\$1.01 per Share on 3 May 2024, then had been fluctuating downward until 20 August 2024 (being the date of the Company's announcement regarding profit warning). Thereafter, closing price of the Shares had decreased rapidly until 28 August 2024 (being the date of the Company's announcement of the interim results for the six months ended 30 June 2024). After 30 August 2024 (being the date of the Company's announcement regarding the resignation of auditor), the closing price of the Shares decreased again until 3 September 2024 to the similar price as the previous low level of HK\$0.43 per Share. After the publication of the 2024 Interim Report on 25 September 2024, closing price of the Shares gradually rose to HK\$0.79 per Share on 7 October 2024, and then had been generally oscillating downward to HK\$0.52 per Share towards 15 November 2024, being the Last Trading Day. Immediately following the publication of the Announcement on 22 November 2024 and the resumption of trading in the Shares on 25 November 2024, closing price of the Shares surged to HK\$0.56 per Share, representing an increase of approximately 7.7% as compared to the closing price of Shares of HK\$0.52 on the Last Trading Day.

Since then and up to the Latest Practicable Date, the Shares closed between HK\$0.55 and HK\$0.58 per Share, suggesting that the closing price of Shares is being principally determined by the Cancellation Price. The closing price of the Shares was HK\$0.56 as at the Latest Practicable Date. The Cancellation Price of HK\$0.60 per Scheme Share represents a premium of approximately 7.1% over the closing price of Shares on the Latest Practicable Date. However, the Shareholders should be aware that the Share price may not be maintained at the current level if the Proposal is not approved or otherwise lapses.

We did not notice any notable event which might have caused the spike and plummet in the closing price of the Shares. We have discussed with the Management and were given to understand that they are not aware of any specific reasons or events which have led to the aforementioned movements of the closing price of the Shares.

### 3.2 Trading liquidity

The table below sets out (i) the average daily trading volume of the Shares; (ii) the percentage of the average daily trading volume of the Shares to total number of issued Shares; and (iii) the percentage of the average daily trading volume of the Shares to the public float of the Company at the end of the month/period during the Review Period:

Month/Period	Total trading volume of the Shares	Total number of trading days	Average daily trading volume of the Shares <i>Approx. (Note 1)</i>	Percentage of the average daily trading volume of the Shares to the total number of issued Shares <i>Approx. (Note 2)</i>	Percentage of the average daily trading volume of the Shares to the total number of the issued Shares held by the public <i>Approx. (Note 3)</i>
<b>2023</b>					
November (since 23 November)	32,000	6	5,333	0.001%	0.004%
December	182,000	19	9,579	0.002%	0.007%
<b>2024</b>					
January	2,493,000	22	113,318	0.022%	0.085%
February	284,000	19	14,947	0.003%	0.011%
March	3,903,000	20	195,150	0.038%	0.147%
April	548,000	20	27,400	0.005%	0.021%
May	9,744,000	21	464,000	0.091%	0.349%
June	1,625,000	19	85,526	0.017%	0.064%
July	10,813,238	22	491,511	0.097%	0.369%
August	12,915,000	22	587,045	0.116%	0.441%
September	2,242,000	19	118,000	0.023%	0.089%
October	7,051,000	21	335,762	0.066%	0.252%
November	5,896,000	21	280,762	0.055%	0.211%
December	1,838,000	20	91,900	0.018%	0.069%
<b>2025</b>					
January (up to and including the Latest Practicable Date)	1,226,000	13	94,308	0.019%	0.071%
<b>Maximum</b>			587,045	0.116%	0.441%
<b>Minimum</b>			5,333	0.001%	0.004%
<b>Average</b>			194,303	0.038%	0.146%

Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

*Notes:*

1. Calculated by dividing the total trading volume of the Shares for the respective corresponding months/periods by the total number of trading days of the Shares in the respective corresponding months/periods.
2. Based on total number of Shares in issue at the end of each of the respective corresponding months/periods.
3. Based on the total number of Shares in issue of 508,104,000 Shares held by the Scheme Shareholders as at the Latest Practicable Date.

As illustrated in the above table, the trading liquidity of the Shares was generally thin during the Review Period, with the average daily trading volumes of the Shares having accounted for a range from approximately 0.001% to approximately 0.116% over the total number of Shares in issue as at the end of the relevant month/period and a range from approximately 0.004% to approximately 0.441% of the total number of the issued Shares held by the public as at the Latest Practicable Date.

Given the thin historical average daily trading volume of the Shares, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Scheme Shareholders to dispose of a significant number of Shares in the open market without exerting a downward pressure on the Share price. Accordingly, we are of the view that the Proposal provides the Scheme Shareholders with an assured exit if they wish to realise their investments in the Shares without exerting downward pressure on the trading price of the Shares.

### **3.3 Cancellation Price comparisons**

As disclosed in the Letter from the Board, the Cancellation Price of HK\$0.60 per Scheme Share represents:

- (a) a premium of approximately 7.1% 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.

#### 4. Comparable Companies

In assessing the fairness and reasonableness of the Cancellation Price, we have primarily adopted the price-to-earnings ratio (“**P/E Ratio**”) approach and price-to-book ratio (“**P/B Ratio**”) approach, which are the most commonly used and widely accepted benchmarks in analysing companies with a track record of generating profits and valuing a company or business.

For the purpose of our analysis, we have, on a best effort basis, identified from the website of the Stock Exchange an exhaustive list of 25 companies which are (i) companies listed on the Main Board of the Stock Exchange; (ii) with market capitalisation below HK\$600 million, which represents approximately double of the implied market capitalisation of the Company as at the Latest Practicable Date of approximately HK\$304.9 million, as listed companies with market capitalisation far different from the Company may affect comparability; and (iii) with over 60% of revenue principally derived from the provision of property management services business in the PRC for their latest audited financial year, as similar to the composition of the Group’s revenue segments with over 60% of revenue principally derived from the provision of property management services business (the “**Comparable Companies**”).

Taking into consideration that (i) the Comparable Companies are listed on the Main Board of the Stock Exchange, which share similar market sentiment; (ii) the business nature, the composition of revenue segments of the Comparable Companies are similar to the Group, which the majority of revenue of the Comparable Companies are derived from the provision of property management services business for their latest audited financial year; and (iii) the market capitalisation parameter is reasonable as discussed above, we consider such Comparable Companies are the only companies that could fulfill all the criteria and thus are appropriate to form a representative and benchmark reference for the Independent Shareholders to assess the fairness and reasonableness of the Cancellation Price. The Comparable Companies set out in the table below represented an exhaustive list of comparable companies to the Company based on the abovementioned selection criteria and would serve as a fair and representative sample for drawing a meaningful comparison to the Cancellation Price.

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from the provision of property management services business	Market	P/B Ratio <sup>(2) (8)</sup> <i>times</i>	P/E Ratio <sup>(3) (8)</sup> <i>times</i>	Net profit margin <sup>(9)</sup>
				capitalisation <sup>(1)</sup> <i>HK\$' million</i>			
SCE Intelligent Commercial Management Holdings Ltd	606	Principally engaged in the provision of property management services, value-added services and commercial operational services.	70.8%	483.8	0.16	1.71	20.6%
Kangqiao Service Group Ltd	2205	Principally engaged in provision of property management services, related value-added services and city services in the PRC.	63.6%	511.0	0.65	12.08	4.1%
New Silkroad Culturaltainment Ltd	472	Principally engaged in the (i) development and operation of integrated resort and cultural tourism in South Korea; (ii) development and operation of real estate in Australia; (iii) production and distribution of wine in the PRC; (iv) operation of entertainment business (discontinued in June 2024) in South Korea; and (v) provision of property management service in the PRC.	72.0%	417.0	0.30	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Times Neighborhood Holdings Ltd	9928	Principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services and professional services.	76.3%	433.7	0.29	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Ling Yue Services Group Ltd	2165	Principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.	85.3%	354.2	0.54	3.16	16.7%

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from the provision of property management services business	Market	P/B Ratio <sup>(2) (8)</sup> <i>times</i>	P/E Ratio <sup>(3) (8)</sup> <i>times</i>	Net profit margin <sup>(9)</sup>
				capitalisation <sup>(1)</sup> <i>HK\$' million</i>			
Xinyuan Property Management Service (Cayman) Ltd.	1895	Principally engaged in the provision of property management services, value-added services, pre-delivery and consulting services and property engineering services to customers in the PRC.	71.3%	367.7	0.59	11.90	3.8%
First Service Holding Ltd	2107	Principally engaged in the provision of property management services in the PRC.	71.8%	360.2	0.50	5.74	4.7%
Ruisen Life Service Co Ltd	1922	Principally engaged in the provision of diversified property management services and value-added services.	77.9%	363.3	0.75	2.83	5.9%
Starjoy Wellness and Travel Co Ltd	3662	Principally engaged in the provision of property management services and commercial operational services.	74.1%	457.5	0.35	2.65	10.1%
Richly Field China Development Ltd	313	Principally engaged in outlets commercial operation and development and operation of featured commercial properties, development of high-end residential properties as well as property management.	64.1%	116.7	0.59	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Kaisa Prosperity Holdings Ltd	2168	Principally engaged in the provision of property management services, which includes management of properties, maintenance and repair of buildings and ancillary facilities, community security management, car-park management, equipment installation, and property consulting services.	74.6%	269.7	0.27	NA <sup>(4)</sup>	NA <sup>(4)</sup>



Comparable Companies	Stock code	Principal business	Percentage of revenue generated from the provision of property management services business	Market	P/B Ratio <sup>(2) (8)</sup> <i>times</i>	P/E Ratio <sup>(3) (8)</sup> <i>times</i>	Net profit margin <sup>(9)</sup>
				capitalisation <sup>(1)</sup> <i>HK\$' million</i>			
Zhong Ao Home Group Ltd	1538	Principally engaged in the provision of property management services, provision of cleaning and greening services and other services in the PRC.	75.2%	252.1	0.23	2.87	4.7%
Colour Life Services Group Co Ltd	1778	Principally engaged in the provision of property management services and related services in the PRC.	93.7%	251.4	0.05	9.94	1.5%
Runhua Living Service Group Holdings Ltd	2455	Principally engaged in the provision of property management services, property engineering services and landscape construction services, leasing services from investment properties and other services in the PRC.	91.3%	180.0	0.45	3.95	5.4%
Redsun Services Group Ltd	1971	Principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.	79.0%	184.7	0.18	15.47	1.0%
Zhenro Services Group Ltd	6958	Principally engaged in the property management business.	69.7%	166.0	0.14	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Xingye Wulian Service Group Co Ltd	9916	Principally engaged in property management and value-added services, property engineering services and property development.	76.4%	142.0	0.27	3.22	11.2%
AUX International Holdings Ltd	2080	Principally engaged in operation of clubbing business and restaurant and bar outlets, and provision of property management services and related value-added services.	82.0%	122.3	0.48	7.31	4.6%

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from the provision of property management services business	Market	P/B Ratio <sup>(2) (8)</sup> <i>times</i>	P/E Ratio <sup>(3) (8)</sup> <i>times</i>	Net profit margin <sup>(9)</sup>
				capitalisation <sup>(1)</sup> <i>HK\$' million</i>			
Ye Xing Group Holdings Ltd	1941	Principally engaged in property management services.	84.9%	65.3	0.25	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Redco Healthy Living Co Ltd	2370	Principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services, development and maintenance services to the information technology systems, healthcare management services and property agency services in the PRC.	65.4%	58.0	0.18	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Riverine China Holdings Ltd	1417	Principally engaged in the provision of property management service for high-end non-residential properties, leases services of commercial buildings, catering services and integrated urban sanitary services in the PRC.	74.6%	76.1	0.34	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Landsea Green Life Service Company Limited	1965	Principally engaged in the provision of property management services, community value-added services, value added services to non-property owners and apartment operation and management services in the PRC.	75.5%	76.8	0.26	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Fineland Living Services Group Limited	9978	Principally engaged in real estate agency services.	75.9%	31.6	0.29	NA <sup>(4)</sup>	NA <sup>(4)</sup>
Beijing Capital Jiaye Property Services Co Ltd	2210	Principally engaged in the provision of fundamental property services, value-added services to non-property owners and community value-added services.	61.8%	508.9	0.56	4.08	6.3%

Comparable Companies	Stock code	Principal business	Percentage of revenue generated from the provision of property management services business	Market	P/B Ratio <sup>(2) (8)</sup>	P/E Ratio <sup>(3) (8)</sup>	Net profit margin <sup>(9)</sup>
				capitalisation <sup>(1)</sup>			
				HK\$' million	times	times	
Roiserv Lifestyle Services Co Ltd	2146	Principally engaged in the provision of property management and related value-added services.	72.9%	564.0	0.24	4.06	6.9%
				Maximum	1.18	15.47	20.6%
				Minimum	0.05	1.71	1.0%
				Average	0.38	6.06	7.2%
				Median	0.29	4.06	5.4%
The Company	2207			304.9 <sup>(5)</sup>	0.46 <sup>(6)</sup>	26.03 <sup>(7)</sup>	1.2%

Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

Notes:

- The market capitalisation was based on the closing price and the total shares in issue as at the Latest Practicable Date.
- The P/B Ratio was based on the then market capitalisation of the respective companies as at the Latest Practicable Date, divided by the net asset value attributable to owners of the respective companies as stated in their respective then latest published annual report/interim report.
- The P/E Ratio was based on the then market capitalisation of the respective companies as at the Latest Practicable Date, divided by the net profit attributable to owners of the respective companies as stated in their respective then latest published annual report. Considering (i) the relevant financial information in their respective then latest published annual report contains the most recent audited figures, which are considered to be more credible and precise, as compared to the figures of the trailing twelve months; and (ii) figures of the trailing twelve months are generally estimated based on the unaudited management accounts of the Comparable Companies and are not available to the public, such calculation basis is considered to be more justifiable and commonly adopted in the market.
- The respective company recorded a net loss for the latest audited financial year. Thus, P/E Ratio and net profit margin are not applicable. Considering (i) the relevant financial information in their respective then latest published annual report contains the most recent audited figures, which are considered to be more credible and precise, as compared to the figures of the trailing twelve months; and (ii) figures of the trailing twelve months are generally estimated based on the unaudited management accounts of the Comparable Companies and are not available to the public, such calculation basis is considered to be more justifiable and commonly adopted in the market.
- It is calculated based on the Cancellation Price multiplied by the total number of issued Shares as at the Latest Practicable Date.
- It is calculated based on the implied market capitalisation of the Company as at the Latest Practicable Date divided by the net asset value attributable to the Shareholders as at 30 June 2024 as extracted from the 2024 Interim Report.
- It is calculated based on the implied market capitalisation of the Company as at the Latest Practicable Date divided by the net profit attributable to the Shareholders for the year ended 31 December 2023 as extracted from the 2023 Annual Report.

8. For the purpose of this table, conversion of RMB into HK\$ in relation to the respective financial figures of the Comparable Companies denominated in RMB (if applicable and if any) are calculated at the approximate exchange rates of HK\$1 to RMB0.91. These exchange rates are for illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.
9. It is calculated based on the revenue divided by the net profit attributable to owners of the respective companies as stated in their respective then latest published annual report.

As shown in the table above, the P/B Ratios of the Comparable Companies ranged from approximately 0.05 times to 1.18 times, with an average of approximately 0.38 times and a median of approximately 0.29 times. We noted that the implied P/B Ratio of the Cancellation Price of approximately 0.46 times (i) falls within the range of the P/B Ratios of the Comparable Companies; (ii) is higher than the average of the P/B Ratios of the Comparable Companies; and (iii) is higher than the median of the P/B Ratios of the Comparable Companies.

The P/E Ratios of the Comparable Companies ranged from approximately 1.71 times to 15.47 times, with an average of approximately 6.06 times and a median of approximately 4.06 times. We noted that the implied P/E Ratio of the Cancellation Price of approximately 26.03 times (i) is higher than the range of the P/E Ratios of the Comparable Companies; (ii) is higher than the average of the P/E Ratios of the Comparable Companies; and (iii) is higher than the median of the P/E Ratios of the Comparable Companies.

In light of the above, we consider that the analysis provides an additional indicator to demonstrate that the Cancellation Price is fair and reasonable so far as the Independent Shareholders are concerned from a market valuation perspective.

## 5. Other factors considered

### *High cash level of the Group*

As presented in the section headed “1.2 Historical financial information”, the Group recorded net assets of approximately RMB598.8 million, mainly comprised cash and cash equivalents of approximately RMB674.3 million (equivalent to approximately HK\$741.0 million), trade and other receivables and prepayments of approximately RMB370.4 million and trade and other payables of approximately RMB375.2 million, as at 30 June 2024. For illustrative purpose, the Group’s cash and cash equivalents per Share as at 30 June 2024 would be amounted to approximately RMB1.33 (equivalent to approximately HK\$1.46). As such, the Cancellation Price would represent a discount of approximately 58.9% to the cash and cash equivalents per Share as at 30 June 2024. To further understand the financial position of the Group, we estimated the Group’s remaining net cash level by assuming that all the receivables and payables being settled by debtors and creditors, to evaluate the liquidity position of the Group. Based on the aforesaid approach, the Group would still have maintained a high cash level of approximately RMB669.5 million (equivalent to approximately HK\$735.7 million) as at 30 June 2024. For illustrative purpose, the estimated net cash per Share would be amounted to approximately RMB1.32 (equivalent to approximately HK\$1.45). As such, the Cancellation Price would represent a discount of approximately 58.6% to the estimated net cash per Share. As set out in the section headed

“6. Privatisation Precedents”, such discount of the Cancellation Price to the estimated net cash per Share (i) falls within the range; and (ii) is well below the average and median of the premium/discount of cancellation price over/to the estimated net cash per share of the Privatisation Precedents.

We noted that the high cash level of the Group was mainly attributable to the relatively high level of unutilised net proceeds (“**Net Proceeds**”) from the listing of the Company on 16 July 2021, which amounted to approximately HK\$482.6 million as at the Latest Practicable Date, representing approximately 76.8% of the total net proceeds. According to the Company’s announcement dated 30 August 2023, the Board resolved to change the use of Net Proceeds as a result of the overall market sentiment in the real estate sector in the PRC and the outbreak of the COVID-19 pandemic during the material time and to postpone the full utilisation of the Net Proceeds from 31 December 2023 to 31 December 2026. Further details of the unutilised Net Proceeds are set out in the section headed “Information on the Group” in the Explanatory Memorandum.

Considering (i) the aforementioned illustrative discount represented by the Cancellation Price to the cash and cash equivalents per Share and estimated net cash per Share; and (ii) the relatively high proportion of the Group’s unutilised net proceeds from its listing, with the fact that it would be entirely natural and reasonable for the Independent Shareholders to expect the Company to continue to utilise such proceeds in accordance with the Group’s future plans and use of proceeds as previously committed, and to subsequently share the investment return, instead of undergoing privatisation, we are of the view that the Cancellation Price is unfavourable to the Independent Shareholders.

#### *Alternatives for investors to realise their investment*

Since the listing of the Shares in July 2021, we noted that the Company has not distributed any dividend. Based on the 2023 Annual Report and 2024 Interim Report, the Group recorded a net profit of approximately RMB10.7 million for the year ended 31 December 2023 and net loss of approximately RMB113.6 million for the six months ended 30 June 2024. Notwithstanding the net loss for the six months ended 30 June 2024, the share premium and retained earnings of the Group amounted to approximately RMB663.0 million and RMB111.3 million, respectively, as at 30 June 2024. In conjunction with the high level of available cash, we are of the view that a declaration of special dividend by the Company shall serve as an alternative, as compared to the Proposal, to provide an opportunity for the Independent Shareholders to realise their investments in the Company. On the other hand, the Company may also consider Share repurchase exercises to stimulate the performance of prices of Shares and market activities.

#### **6. Privatisation precedents**

To further assess the fairness and reasonableness of the Cancellation Price, we have identified from the website of the Stock Exchange an exhaustive list of 13 companies listed on the Main Board of the Stock Exchange, the privatisation proposals of which were (i) initially announced by companies listed on the Stock Exchange at the relevant time during the Review Period; (ii) conducted by way of scheme of arrangement (as privatisation proposals by way of scheme of arrangement may have different regulatory and administrative procedures, terms and

conditions and other commercial considerations as compared to privatisation proposals of other ways, for instance, by way of a general offer, we are of the view that it is more relevant and appropriate to compare privatisation precedents conducted by way of scheme of arrangement to the Proposal, which was also conducted by way of a scheme of arrangement); (iii) involved cash consideration only (excluding combined consideration of cash and shares); and (iv) approved by disinterested shareholders or the required acceptance level was achieved, as the case may be, during the Review Period (the “**Privatisation Precedents**”).

The terms of the Privatisation Precedents set out below, in our view, demonstrate the levels of premium over market prices required in Hong Kong for the purpose to secure a successful privatisation, i.e. how much the shareholders are being offered and the level of premium that is acceptable to shareholders in terms of historical share price ranges. Analysis of privatisation precedents is widely used in assessing the pricing of privatisation proposals in Hong Kong. Despite the business nature and scale of each company may vary and some aspects of pricing may be industry-specific, we consider that the Privatisation Precedents represent an exhaustive list of privatisation proposals satisfying the above selection criteria and reflect the pricing of recent successful privatisations and recent market sentiments towards privatisations as a whole. Accordingly, we regard the Privatisation Precedents as a relevant benchmark for acceptable privatisation premium range in the market and one of the factors we consider meaningful in assessing the fairness and reasonableness of the Cancellation Price.

The table below illustrates the premiums or discounts of the cancellation prices of each of the Privatisation Precedents over or to the corresponding prevailing share prices prior to the issue of the relevant privatisation announcements:

Date of the first announcement	Date of approval	Company	Stock code	Premium/(Discount) of cancellation price over/to closing share price over/to <sup>(1)</sup>							Premium/ (Discount) of cancellation	Premium/ (Discount) of cancellation	Proportion of unutilised net proceeds from listing <sup>(6)</sup>
				Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 120 trading days	Last 180 trading days	price over/to the net asset value per share <sup>(2)</sup>	price over/to the estimated net cash per share <sup>(4)</sup>	
15/09/2023	27/11/2023	Lansen Pharmaceutical Holdings Limited	503	26.76%	24.14%	22.45%	20.00%	15.37%	21.82%	23.29%	(22.08)%	104.64%	-
06/10/2023	15/1/2024	Pine Care Group Limited	1989	(1.11)%	0.68%	0.91%	1.48%	8.94%	27.29%	43.78%	(7.90)%	2,789.27% <sup>(3)</sup>	-
06/10/2023	08/01/2024	Haitong International Securities Group Limited	665	114.08%	111.11%	108.22%	126.53%	122.22%	125.19%	110.53%	(39.32)%	(85.77)%	-
04/12/2023	08/03/2024	Weiqiao Textile Company Limited	2698	104.68%	104.92%	102.66%	111.10%	142.89%	143.61%	144.93%	(78.34)%	(62.24)%	-
14/12/2023	19/02/2024	Sinosoft Technology Group Limited	1297	29.41%	30.43%	31.21%	31.13%	22.49%	11.39%	14.23%	(78.85)%	(73.39)%	-
28/03/2024	19/06/2024	SciClone Pharmaceuticals (Holdings) Limited	6600	17.21%	30.81%	34.06%	45.72%	47.61%	57.34%	66.60%	227.50%	422.76% <sup>(3)</sup>	55.30%

Date of the first announcement	Date of approval	Company	Stock code	Premium/(Discount) of cancellation price over/to closing share price over/to <sup>(1)</sup>								Premium/ (Discount) of cancellation	Premium/ (Discount) of cancellation	Proportion of unutilised net proceeds from listing <sup>(6)</sup>
				Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 120 trading days	Last 180 trading days	price over/to the net asset value per share <sup>(2)</sup>	price over/to the estimated net cash per share <sup>(4)</sup>		
18/04/2024	26/07/2024	Kin Yat Holdings Limited	638	33.30%	43.40%	51.58%	51.50%	53.60%	62.53%	72.10%	(57.40)%	50.70%	-	
27/05/2024	28/08/2024	Huafa Property Services Group Company Limited	982	30.63%	36.79%	40.10%	70.59%	82.24%	90.01%	104.89%	970.11% <sup>(3)</sup>	700.02% <sup>(3)</sup>	-	
12/06/2024	23/08/2024	A8 New Media Group Limited	800	162.77%	158.99%	168.66%	185.71%	186.13%	155.59%	125.93%	(48.13)%	91.58%	-	
16/07/2024	21/10/2024	Samson Holding Ltd.	531	50.00%	75.31%	94.57%	143.24%	181.44%	171.24%	149.95%	(47.06)%	152.15%	-	
14/10/2024	12/12/2024	CM Hi-Tech Cleanroom Limited	2115	25.00%	23.80%	26.90%	30.20%	39.70%	41.20%	38.10%	(3.20)%	181.21%	38.74%	
28/10/2024	10/01/2025	Beijing Capital Grand Ltd.	1329	46.55%	54.55%	55.11%	41.75%	47.85%	80.93%	53.55%	(53.83)%	NA <sup>(5)</sup>	-	
02/09/2024	17/01/2025	Doyen International Holdings Ltd.	668	78.57%	81.35%	82.29%	81.35%	86.17%	131.79%	92.31%	(39.34)%	(30.00)%	-	
			<b>Maximum</b>	162.77%	158.99%	168.66%	185.71%	186.13%	171.24%	149.95%	970.11%	2,789.27%	55.31%	
			<b>Minimum</b>	(1.11)%	0.68%	0.91%	1.48%	8.94%	11.39%	14.23%	(78.85)%	(85.77)%	-	
			<b>Average</b>	55.22%	59.71%	62.99%	72.33%	79.74%	86.15%	80.01%	55.55%	353.41%	7.23%	
			<b>Median</b>	33.30%	43.40%	51.58%	51.50%	53.60%	80.93%	72.10%	(39.34)%	98.11%	-	
			<b>Excluding outliers</b>											
			<b>Maximum</b>	162.77%	158.99%	168.66%	185.71%	186.13%	171.24%	149.95%	227.50%	181.21%	55.31%	
			<b>Minimum</b>	(1.11)%	0.68%	0.91%	1.48%	8.94%	11.39%	14.23%	(78.85)%	(85.77)%	-	
			<b>Average</b>	55.22%	59.71%	62.99%	72.33%	79.74%	86.15%	80.01%	(20.66)%	36.54%	7.23%	
			<b>Median</b>	33.30%	43.40%	51.58%	51.50%	53.60%	80.93%	72.10%	(43.20)%	50.70%	-	
		The Company	2207	15.38%	9.09%	1.69%	(6.25)%	1.69%	(13.04)%	(13.04)%	(53.49)%	(58.62)%	76.80%	

Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the LSEG Workspace, a financial data platform operated by the London Stock Exchange Group (<https://www.lseg.com/>)

Notes:

1. Premiums/(discounts) shown above for certain trading periods are independently calculated as they are not disclosed in their respective announcements and they are subject to rounding differences.
2. It represents the premium/(discount) of the cancellation price over/(to) the latest available net asset value per share attributable to the shareholders of the company or adjusted net asset value per share (where applicable) as extracted from their respective announcements and their relevant scheme documents.
3. Such premiums have been excluded from the analysis as they appear to be abnormally higher as compared to the rest of the Comparable Companies and are considered as an outliers which may skew the overall results.

4. It represents the premium/(discount) of the cancellation price over/(to) the estimated latest available net cash value (assuming all the receivables and payables being settled by debtors and creditors) of the Privatisation Precedents as stated in their respective then latest published annual report/interim report, divided by the total number of shares in issue as at the latest practicable date as extracted from their respective announcements and their relevant scheme documents.
5. The company recorded a negative estimated net cash in its latest published interim report. Thus, the estimation of the respective net cash per share is not applicable.
6. It represents the proportion of the amount of unutilised net proceeds to the total amount of net proceeds from the listing of the Privatisation Precedents as stated in their respective then latest published annual report/interim report.

As shown in the table above, the premium represented by the Cancellation Price over the closing price of the Shares on the Last Trading Day and the average closing price of the Shares for the last five and 10 trading days up to and including the Last Trading Day fall within, yet are well below the average and median of the respective premium/(discount) over/to the closing price of the shares of the Privatisation Precedents for the respective periods. The premium represented by the Cancellation Price over average closing price of the Shares for the last 60 trading days up to and including the Last Trading Day is lower than the minimum of the range of the respective premium over the closing price of the shares of the Privatisation Precedents for the respective period.

Further to the aforesaid relatively low premiums, we noted that the Cancellation Price represented discounts to the closing price of the Shares on the average closing price of the Shares for the last 30, 120 and 180 trading days up to and including the Last Trading Day, instead of being at premium levels as those of the Privatisation Precedents for the respective periods. In addition, as illustrated above statistical results (excluding outliers), the premium/discount of the cancellation price over/to the net asset value per share of the Privatisation Precedents ranged from a discount of approximately 78.9% to a premium of approximately 227.5% (the “NAV Range”), with an average of discount of approximately 20.7% and a median of discount of approximately 43.2%. The Cancellation Price of HK\$0.6 per Scheme Share represents a discount of approximately 53.49% to the unaudited consolidated net asset value of the Company as at 30 June 2024 per Share. Despite being within the NAV Range, the discount to net asset value per Share represented by the Cancellation Price is (i) deeper than the average and median of the premium/discount of the cancellation price over/to the net asset value per share of the Privatisation Precedents; and (ii) is at the lower end of the NAV Range.

We also noted that in the Privatisation Precedents, Huafa Property Services Group Company Limited (“**Huafa Property**”) (stock code: 982), a company previously listed on the Main Board of the Stock Exchange which was principally engaged in the provision of property management services, hotel advisory and exhibition services in the PRC, with approximately all of its revenue derived from its property management services business for its recent audited financial years, has completed its privatisation transaction with the withdrawal of shares on the Stock Exchange with effect on 30 September 2024. Considering the similarities of principal business, we reasonably believe that Huafa Property and the Group were subject to similar market fundamentals, risks, challenges and prospects of the real estate industry in the PRC. Having said that, the cancellation price of the privatisation proposal of Huafa Property represented relatively higher levels of premium over the average share prices of all reference periods and its net asset value per share as compared to those of the Cancellation Price.



For illustrative purpose, we have further compared the discount of the Cancellation Price to the estimated net cash per Share and the proportion of unutilised Net Proceeds to those of the Privatisation Precedents. Based on the statistical results (excluding outliers), the premium/discount of cancellation price over/to the estimated net cash per share of the privatisation precedents ranged from a discount of approximately 85.8% to a premium of approximately 181.2%, with an average of premium of approximately 36.5% and a median of premium of approximately 50.7%. The discount of the Cancellation Price to the estimated net cash per Share of approximately 58.6% (i) falls within the range; and (ii) is well below the average and median of the premium/discount of cancellation price over/to the estimated net cash per share of the Privatisation Precedents. Except for the proportion of unutilised net proceeds of approximately 55.3% of SciClone Pharmaceuticals (Holdings) Limited (“**SciClone**”) and approximately 38.7% of CM Hi-Tech Cleanroom Limited (“**CM Hi-Tech**”), all the Privatisation Precedents have fully utilised their net proceeds from listing upon their privatisation exercises. Despite the relatively high proportions of unutilised net proceeds of SciClone and CM Hi-Tech, we noted that the cancellation prices of their privatisation proposals represented significant premiums over their average share prices of all reference periods, its net asset value per share and/or estimated net cash per share, as compared to the respective deep discounts represented by the Cancellation Price.

In conclusion, notwithstanding that the Cancellation Price represented (i) a lower level of discount to the net asset value of the Company as compared to those of Weiqiao Textile Company Limited, Sinosoft Technology Group Limited and Kin Yat Holdings Limited; and (ii) higher level of premiums over the closing price of the Shares on the Last Trading Day and the average closing price of the Shares for the periods of the last 5 and 10 trading days up to and including the Last Trading Day, as compared to those of Pine Care Group Limited, in conjunction with other assessment factors which heavier weighting shall be applied, in particular, (i) the high net cash with high proportion of unutilised net proceeds from listing and the alternatives for investors to realise their investment (e.g. a declaration of special dividend by the Company and Share repurchase exercise) as discussed in the section headed “5. Other factors considered”; and (ii) the aforesaid less favourable Cancellation Price as compared to that of Huafa Property’s privatisation exercise, we are of the view that the Cancellation Price and the terms of the Proposal and the Scheme are, on a balanced and comprehensive consideration of factors, **not** fair and reasonable to the Independent Shareholders as a whole.

Taking into consideration that (i) privatisation proposals may be unsuccessful or being voted down by independent shareholders due to various reasons that may be specific to the respective proposals and the companies; and (ii) the Privatisation Precedents aim to present a holistic assessment of the Cancellation Price, where the level of cancellation prices of other successful privatisation proposals being approved by their respective disinterested shareholders or with required acceptance level being achieved are included for the Independent Shareholders’ reference and consideration, we are of the view that it is more relevant to only include successful proposals during the Review Period in the above assessment.

For illustrative purpose, we have, on a best effort basis, identified an exhaustive list of two unsuccessful privatisation proposals during the Review Period. The table below illustrates the premiums or discounts of the cancellation prices of each of the unsuccessful privatisation precedents over or to the corresponding prevailing share prices prior to the issue of the relevant privatisation announcements:

Date of the first announcement	Company	Stock code	Premium/(Discount) of cancellation price over/to closing share price over/to <sup>(1)</sup>							Premium/ (Discount) of cancellation price over/to the net asset value per share <sup>(2)</sup>	Premium/ (Discount) of cancellation price over/to the estimated net cash per share <sup>(3)</sup>	Proportion of unutilised net proceeds from listing <sup>(4)</sup>
			Last trading day	Last 5 trading days	Last 10 trading days	Last 30 trading days	Last 60 trading days	Last 120 trading days	Last 180 trading days			
21/02/2024	China Traditional Chinese Medicine Holdings Co. Limited	570	34.11%	50.13%	50.82%	40.24%	29.44%	32.56%	13.58%	4.12%	179.50%	-
05/06/2024	Asia Cement (China) Holdings Corporation	743	(3.01)%	27.78%	35.29%	52.61%	52.61%	48.39%	38.79%	(75.06)%	(45.41)%	-

Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the LSEG Workspace, a financial data platform operated by the London Stock Exchange Group (<https://www.lseg.com/>)

*Notes:*

1. Premiums/(discounts) shown above for certain trading periods are independently calculated as they are not disclosed in their respective announcements and they are subject to rounding differences.
2. It represents the premium/(discount) of the cancellation price over/(to) the latest available net asset value per share attributable to the shareholders of the company or adjusted net asset value per share (where applicable) as extracted from their respective announcements and their relevant scheme documents.
3. It represents the premium/(discount) of the cancellation price over/(to) the estimated latest available net cash value (assuming all the receivables and payables being settled by debtors and creditors) of the companies as stated in their respective then latest published annual report/interim report, divided by the total number of shares in issue as at the latest practicable date as extracted from their respective announcements and their relevant scheme documents.
4. It represents the proportion of the amount of unutilised net proceeds to the total amount of net proceeds from the listing of the companies as stated in their respective then latest published annual report/interim report.

## RECOMMENDATIONS

For the purpose of comprehensively assessing the fairness and reasonableness of the terms of the Proposal and the Scheme, we formed our opinion based on the totality of factors and reasons. Having taking into consideration the principal factors and reasons as discussed above, in particular:

- (i) the Proposal, if implemented, will provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash at a reasonably attractive premium and to reallocate the proceeds from the disposal of the Shares to alternative investment opportunities with more liquidity;

- (ii) the business performance of the Group has been affected by the challenges faced by the PRC economy, including the weak market sentiment and the prolonged downturn of the real estate sector, which may have aroused uncertainty in the prospect of the Group;
- (iii) with the generally thin trading liquidity of the Shares during the Review Period, it is uncertain that there would be sufficient liquidity in the Shares for the Independent Shareholders (especially those with relatively sizeable shareholdings) to dispose of a significant number of Shares within a short period in the open market without exerting a downward pressure on the price of the Shares;
- (iv) as set out in the section headed “4. Comparable Companies”, the comparison of the implied P/E Ratio and P/B Ratio of the Cancellation Price are comparable to, if not more favourable, than, those of the Comparable Companies;
- (v) as set out in the section headed “5. Other factors considered”, taking into account the high level of cash and unutilised net proceeds from the Company’s listing, rather than undergoing privatisation, if the Group were to consider adopting alternatives, including but not limited to, distributing dividends and/or undergoing Shares repurchase exercises, it may also provide opportunities for the Independent Shareholders to realise their investments in the Company; and
- (vi) as set out in the section headed “6. Privatisation Precedents”, the Cancellation Price represented discounts to the closing price of the Shares on the average closing price of the Shares for the last 30, 120 and 180 trading days up to and including the Last Trading Day, instead of being at premium levels as those of the Privatisation Precedents for the respective periods. Despite being within the NAV Range, the discount to net asset value per Share represented by the Cancellation Price is deeper than the average and median of the premium/discount of the cancellation price over/to the net asset value per share of the Privatisation Precedents; and is at the lower end of the NAV Range. Moreover, the cancellation price of the privatisation proposal of Huafa Property, being a company principally engaged in similar business of the Group, represented relatively higher levels of premium over the average share prices of all reference periods and its net asset value per share as compared to those of the Cancellation Price,

notwithstanding that the Cancellation Price is considered fair and reasonable based on the P/E Ratio and P/B Ratio approaches, which are the most commonly used and widely accepted benchmarks for valuation purpose, we are of the opinion that the terms of the Proposal and the Scheme are, on a balanced and comprehensive consideration of the abovementioned factors, **not** fair and reasonable as a whole, so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise:

- (i) the Independent Shareholders to vote **against** the resolution to approve the Scheme at the Court Meeting; and
- (ii) the Shareholders to vote **against** the resolution(s) in respect of the Scheme at EGM.

However, the Independent Shareholders should note that, if the Proposal is disapproved or lapsed or withdrawn, (i) the Offeror would not be able to come up with another privatisation proposal within the next 12 months; and (ii) there would not be an exit for investment arising as a result of a general offer across the board for the Independent Shareholders unless the Offeror, who was interested in approximately 59.04% of the existing issued share capital of the Company, consent to a relevant third party offer for disposing of its shareholding in the Company. In addition, there are possibilities that (i) the Share price (together with the trading volume of the Shares) could fall towards or even below the level at which they had been trading prior to the Announcement and the Independent Shareholders would become unable to realise the Shares at a level of the Cancellation Price; and (ii) as the market has been pricing the Shares at a widening discount to the net asset value, the Share price may, in any event, continue to trade at a deep discount without reflecting its full net asset value per Share.

The Shares have traded below the Cancellation Price since the Last Trading Day and up to the Latest Practicable Date. There is still a possibility that the closing price of Shares may exceed the Cancellation Price on 28 February 2025, being the expected last day for trading in the Shares on the Stock Exchange. Accordingly, the Independent Shareholders are reminded to monitor the trading price and liquidity of the Shares during this period, and having their own circumstances, Independent Shareholders may consider to sell their Shares in the open market if the net proceeds to be obtained from the disposal of the Shares (after deducting all transaction costs) would be higher than the net amount expected to be received under the Scheme.

Yours faithfully,  
For and on behalf of  
**Lego Corporate Finance Limited**  
**Joshua Liu**  
*Managing Director*

*Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 25 years of experience in the securities and investment banking industries.*

\* *For identification purposes only*

*This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (as revised).*

## **A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT)**

### **INTRODUCTION**

Pursuant to the Announcement, the Offeror and the Company jointly announced that on 15 November 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme.

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.

The purpose of this Explanatory Memorandum is to explain the terms and effects of the Proposal and to provide the Scheme Shareholders with other relevant information in relation to the Scheme.

The particular attention of the Scheme Shareholders is drawn to the following sections of this Scheme Document: (a) the "Letter from the Board" in Part III of this Scheme Document; (b) the "Letter from the Independent Board Committee" in Part IV of this Scheme Document; (c) the "Letter from the Independent Financial Adviser" in Part V of this Scheme Document; and (d) the terms of the Scheme as set out in Appendix III to this Scheme Document.

### **TERMS OF THE PROPOSAL**

#### **Cancellation Price**

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 historic 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 below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal, assuming that there is no other change in the shareholding of the Company before the Effective Date.

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>
<b>Offeror (Notes 1 and 2)</b>	300,000,000	59.04	433,104,000	85.24
<b>Offeror Concert Parties</b>				
– Fumei International (Notes 1 and 2)	75,000,000	14.76	75,000,000	14.76
<b>Sub-total of Offeror and Offeror Concert Parties</b>	375,000,000	73.80	508,104,000	100.00
<b>Independent Shareholders</b>	133,104,000	26.20	–	–
<b>Total</b>	<u>508,104,000</u>	<u>100.00</u>	<u>508,104,000</u>	<u>100.00</u>

*Notes:*

1. Mr. Ou Zonghong is the settlor and protector of the Family Trust with HSBC International Trustee Limited as trustee. Both the Offeror and Fumei International are wholly-owned by HSBC International Trustee Limited as trustee of the Family Trust through a special purpose holding vehicle, Rongan Juxiang.
2. The Shares held by the Offeror and Fumei International as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
3. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.
4. As at the Latest Practicable Date, none of the Directors holds any Shares.

## INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with the stock code 2207. The Group is a property management services provider in the PRC, offering diversified property management services for both residential and non-residential properties. The Group is primarily engaged in the provision of (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following is a summary of (i) the audited financial results of the Group for each of the two years ended 31 December 2023; and (ii) the unaudited financial results of the Group for the six months ended 30 June 2024 as extracted from the published financial statements of the Group for the relevant years/period.

	<b>Six months ended 30 June 2024</b>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Revenue	425,077	901,187	876,840
(Loss)/Profit before income tax	(150,368)	16,740	26,754
(Loss)/Profit for the period/year	(113,626)	10,658	18,398

As at 31 December 2022 and 2023, the audited net assets attributable to owners of the Company amounted to approximately RMB701.74 million and RMB712.40 million, respectively. As at 30 June 2024, the unaudited net assets attributable to owners of the Company amounted to approximately RMB598.77 million.

As disclosed in the announcement of the Company dated 30 August 2023, due to the combined effect of the overall underperformance of the real estate sector, the downturn in the PRC market and the COVID-19 pandemic, which had a significant impact on the operational environment of the entire property management service industry in the PRC, the Board resolved to change the use of net proceeds (the “**Net Proceeds**”) from the Global Offering (as defined in the prospectus of the Company dated 30 June 2021) (including the partial exercise of the over-allotment option). In particular, under the impacts of the outbreak of the COVID-19 pandemic and the dynamic changes in the domestic real estate market in the PRC, the profitability of the targeted companies for merger and acquisition was affected to a large extent, which indirectly led to a significant decrease in the number of strategic acquisition targets that could meet the Company’s requirements and in turn the idling of the unutilised Net Proceeds allocated for such use. In addition, as disclosed in the Company’s 2024 interim report published on 25 September 2024, as at 30 June 2024, the Group’s contracted gross floor area amounted to approximately 36.0 million square meters, and the number of contracted projects was 257 in total, representing a decrease of approximately 10.9% and approximately 2.7%, respectively, compared with those as of 31 December 2023. The slowdown in the property management business of the Group had affected the progress of the use of the Net Proceeds. As a result of the foregoing factors, the overall usage of the Net Proceeds has been delayed and the expected timeframe for full utilisation of the unutilised Net Proceeds (the “**Unutilised Net Proceeds**”) was extended from 31 December 2023 to 31 December 2026.

As at the Latest Practicable Date, the Unutilised Net Proceeds amounted to approximately HK\$482.6 million, a breakdown of which is as follows:

<b>Purpose</b>	<b>Unutilised Net Proceeds as at the Latest Practicable Date <i>HK\$ million</i></b>
Pursuing selective strategic investment and acquisition opportunities	158.0
Diversifying the Group's project portfolio and value-added services	154.2
Developing and upgrading hardware and software used in the Group's operation	102.0
Further developing the Group's property management services provided to high-end properties under ROYEEDS brand	38.9
General business operations and working capital	29.5
<b>Total</b>	<b>482.6</b>

It is expected that all or substantially all of the Unutilised Net Proceeds will remain unutilised up to the Effective Date.

On the basis of 508,104,000 Shares in issue as at the Latest Practicable Date, and assuming that there is no change in the shareholding of the Company before the Effective Date, the unutilised Net Proceeds per Share is approximately HK\$0.95, which is higher than the Cancellation Price of HK\$0.60 per Scheme Share. In this connection, your attention is drawn to the section headed "5. Other factors considered — High cash level of the Group" in the "Letter from the Independent Financial Adviser" of this Scheme Document.

For further details on the financial information of the Group, please refer to Appendix I to this Scheme Document.

#### **INFORMATION ON THE OFFEROR AND OFFEROR CONCERT PARTIES**

Each of the Offeror and Fumei International is a company incorporated in the British Virgin Islands with limited liability and has been one of the controlling shareholders of the Company since the Listing.

As at the Latest Practicable Date, each of the Offeror and Fumei International is wholly-owned by Rongan Juxiang, which is a special purpose holding vehicle held by HSBC International Trustee Limited as trustee of the Family Trust. Mr. Ou Zonghong is the settlor and protector of the Family Trust.

The Offeror does not have any subsidiaries. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will become subsidiaries of the Offeror.

As at the Latest Practicable Date, the sole director of the Offeror is Mr. Ou Zonghong.

Mr. Ou Zonghong is the former chairman of the Board and a former executive Director of the Company, and is the father of Mr. Ou Guofei, the current chairman of the Board and an executive Director of the Company. Mr. Ou Zonghong resigned from all positions in the Company with effect from 12 September 2023.

**REASONS FOR AND BENEFITS OF THE PROPOSAL****For Scheme Shareholders**

*The Proposal is an opportunity for the Scheme Shareholders to monetise their Shares amidst challenging and uncertain market conditions*

The average daily trading volume of the Shares for the approximate one-month period, three-month period and 12-month period up to and including the Last Trading Day were approximately 225,217 Shares, 228,806 Shares and 226,936 Shares per trading day, representing only approximately 0.04%, 0.05% and 0.04%, respectively, of the 508,104,000 Shares in issue as at the Latest Practicable Date, and approximately 0.17%, 0.17% and 0.17%, respectively of the 133,104,000 Shares held by Independent Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, or to dispose of a large number of Shares if an event that has an adverse impact on the Share price occurs. The low liquidity in the trading of the Shares has also affected the Company's ability to raise funds from the equity market, which makes the Company's current listing platform no longer an effective fund-raising platform for the Company's business and future growth.

**For the Offeror and the Company**

*Limited usage of the listing platform*

The Company has not conducted any equity fund raising activities since the Listing and the related partial exercise of the over-allotment option, due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the trading price of the Shares in the past years. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long-term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future.

*Reducing costs and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way*

The privatisation of the Company is expected to permit the Offeror to make strategic decisions focusing on the long-term growth and benefits, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility to the Group to achieve long-term commercial development free share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

**INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention to make any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

The Board welcomes the intentions 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**

The Offeror has appointed Somerley as its financial adviser in connection with the Proposal and the Scheme.

The Independent Board Committee, which comprises Mr. Chen Zhangwang, Mr. Kwok Kin Kwong Gary and Mr. Lin Zhongxiaolu, all being independent non-executive Directors, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the terms of the Proposal and the Scheme. The appointment of Lego has been approved by the Independent Board Committee.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser is set out in Part IV and Part V of this Scheme Document, respectively.

**WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

**IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

**COSTS OF THE SCHEME**

If the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

**OVERSEAS SCHEME SHAREHOLDERS**

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and Cayman Islands, the Takeovers Code, the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to and does not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of the Offeror or the Company or the solicitation of any vote or approval in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law.

The making and implementation of the Proposal to Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (a) copy, distribute or publish all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction; (b) disclose its content; or (c) use information contained therein for any purpose other than assessment of the Proposal, unless the information is already publicly available in another form.



It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

Any acceptance of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Somerley and the Independent Financial Adviser, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC or HKSCC Nominees Limited will give, or be subject to, the above warranty and representation.

As at the Latest Practicable Date, there were no Scheme Shareholders whose addresses as shown in the register of members of the Company were outside Hong Kong.

### **NOTICE TO US INVESTORS**

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the US. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws. In addition, US holders of Scheme Shares should be aware that this Scheme Document has been prepared in accordance with Hong Kong format and style, which differs from US format and style.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

**TAXATION ADVICE**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal, and in particular, whether the receipt of the Cancellation Price under the Scheme would make such Scheme Shareholders liable to taxation in Hong Kong in other jurisdictions.

It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Somerley, the Independent Financial Adviser nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal.

**REGISTRATION AND PAYMENT****Closure of the Register**

Assuming the Scheme Record Date falls on Friday, 14 March 2025, it is proposed that the Register will be closed from Wednesday, 12 March 2025 onwards (or such other date as may be notified to the Shareholders by announcement) for purpose of determining entitlements of Scheme Shareholders under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfer documents are lodged with the Hong Kong Branch Share Registrar before 4:30 p.m. on Tuesday, 11 March 2025 for registration of Shares in their own name. The registered office of the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**Payment of the Cancellation Price to the Scheme Shareholders**

Upon the Scheme becoming effective, cheques in respect of the Cancellation Price will be made to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. On the basis that the Scheme becomes effective on Friday, 14 March 2025 (Cayman Islands time), cheques for payment of the Cancellation Price payable under the Scheme are expected to be despatched on or before Tuesday, 25 March 2025.

Cheques for payment of the Cancellation Price entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to them at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding. For Beneficial Owners that hold Scheme Shares through a Registered Owner (other than HKSCC Nominees Limited), cheques made out in the name of the Registered Owner will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the Registered Owner. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Cancellation Price will be paid

to HKSCC Nominees Limited by cheque and such payment will be caused to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All such cheques will be posted at the risk of the addressees and none of the Offeror, the Company, Somerley, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal will be responsible for any loss or delay in despatch.

On or after the day being six (6) calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

The Offeror shall hold such monies on trusts until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest, subject to any deduction required by law and expenses incurred.

Upon the Scheme becoming effective, all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Friday, 14 March 2025 (Cayman Islands time).

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholders.

#### **ACTIONS TO BE TAKEN**

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

#### **THE SCHEME AND THE COURT MEETING**

Pursuant to section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

It is expressly provided in section 86 of the Companies Act that if 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

**ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by the Companies Act as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by the Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by the 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 all the Independent Shareholders.

As at the Latest Practicable Date, the Independent Shareholders held in aggregate 133,104,000 Scheme Shares. On that basis, 10% of the votes attached to Scheme Shares held by all the Independent Shareholders referred to in paragraph (b) above would therefore represent approximately 13,310,400 Scheme Shares as at the Latest Practicable Date.

**COURT MEETING AND EGM**

The Court Meeting will be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 14 February 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme.

Such resolution will be passed under section 86 of the Companies Act if 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 voted in favour of the Scheme. However, the Scheme will only be considered to have been approved under the Takeovers Code if (a) the Scheme is approved (by way of a poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and (b) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders.

All Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting provided that only the votes of the Independent Shareholders will be taken into account in determining if Condition (b) in the paragraph headed “Conditions of the Proposal and the Scheme” above is satisfied.

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 whose names appear on the Register as at the Meeting Record Date 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.

Voting at the Court Meeting and at the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

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. Information on the number of votes cast for and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

Notices of the Court Meeting and the EGM are set out in Appendix IV and Appendix V to this Scheme Document, respectively.

**RECOMMENDATIONS**

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**

Further information is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

You should rely only on the information contained in this Scheme Document in order to vote your Shares at the Court Meeting and/or the EGM. None of the Offeror, the Company, Somerley, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

**GENERAL**

Given that the Proposal will be implemented by way of the Scheme, compulsory acquisition is not applicable and the Offeror has no powers of compulsory acquisition in relation to the Proposal and the Scheme.

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

**FINANCIAL SUMMARY**

Set out below is a summary of the audited consolidated financial information of the Company for each of the years ended 31 December 2021, 2022 and 2023 and the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2023 and 2024. The figures for the years ended 31 December 2021, 2022 and 2023 are extracted from the annual reports of the Company for the respective years, and the figures for the six months ended 30 June 2023 and 2024 are extracted from the interim reports of the Company for the respective periods.

The independent auditor's reports issued by the auditor of the Company, Elite Partners CPA Limited, in respect of the audited consolidated financial statements of the Company for each of the years ended 31 December 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern. Save as disclosed below, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the years ended 31 December 2021, 2022 and 2023.

## Summary of consolidated statement of profit or loss and other comprehensive income

	For the year ended 31 December			For the six months ended 30 June	
	2021	2022	2023	2023	2024
	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (audited)	(RMB'000) (unaudited)	(RMB'000) (unaudited)
Revenue	990,942	876,840	901,187	438,044	425,077
Cost of sales	(712,498)	(703,937)	(728,786)	(353,793)	(344,656)
Gross profit	278,444	172,903	172,401	84,251	80,421
Selling and marketing expenses	(5,321)	(7,222)	(3,919)	(954)	(1,182)
Administrative expenses	(112,396)	(90,919)	(74,218)	(34,701)	(34,429)
Net impairment gains/(losses) on financial assets	1,653	(56,611)	(82,765)	(32,964)	(195,960)
Other income	6,265	5,973	2,753	1,929	124
Other gains or losses – net	(1,432)	622	1,320	273	(52)
Operating profit/(loss)	167,213	24,746	15,572	17,834	(151,078)
Finance income	1,772	2,301	1,312	827	766
Finance cost	(574)	(293)	(144)	(143)	(56)
Finance income – net	1,198	2,008	1,168	684	710
Profit/(loss) before income tax	168,411	26,754	16,740	18,518	(150,368)
Income tax expenses	(48,900)	(8,356)	(6,082)	(5,933)	36,742
Profit/(loss) and total comprehensive income for the year/period	119,511	18,398	10,658	12,585	(113,626)
Profit/(loss) and total comprehensive income for the year/period attributable to:					
– Owners of the Company	112,400	15,528	10,658	12,585	(113,626)
– Non-controlling interests	7,111	2,870	–	–	–
Earnings/(losses) per Share (expressed in RMB)					
– Basic	0.26	0.03	0.02	0.02	(0.22)
– Diluted	0.26	0.03	0.02	0.02	(0.22)

No dividend was paid or proposed for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024, nor has any dividend been proposed since 30 June 2024.



**CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY**

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Company for the year ended 31 December 2021 (the “**2021 Financial Statements**”) are set out on pages 99 to 159 of the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”), which was published on 15 May 2022. The 2021 Annual Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2021 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0515/2022051500013.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2022 (the “**2022 Financial Statements**”) are set out on pages 98 to 157 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 27 April 2023. The 2022 Annual Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2022 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700771.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2023 (the “**2023 Financial Statements**”) are set out on pages 95 to 153 of the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was published on 26 April 2024. The 2023 Annual Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2023 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042602937.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2023 (the “**2023 Interim Financial Information**”) are set out on pages 32 to 56 of the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”), which was published on 28 September 2023. The 2023 Interim Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2023 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0928/2023092801179.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2024 (the “**2024 Interim Financial Information**”) are set out on pages 29 to 54 of the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”), which was published on 25 September 2024. The 2024 Interim Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2024 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0925/2024092500722.pdf>

The 2021 Financial Statements, the 2022 Financial Statements, the 2023 Financial Statements, the 2023 Interim Financial Information and the 2024 Interim Financial Information (but not any other part of the 2021 Annual Report, the 2022 Annual Report, the 2023 Annual Report, the 2023 Interim Report and the 2024 Interim Report in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

No figures are not comparable to a material extent because of a change in accounting policy for the last three financial years and two interim periods.

### **INDEBTEDNESS STATEMENT**

As at the close of business on 31 October 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Scheme Document, save for intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

### **MATERIAL CHANGE STATEMENT**

Save as disclosed below, the Directors confirm that there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the Company's interim report for the six months ended 30 June 2024, the Group recorded a net loss attributable to the owners of the Company of approximately RMB113.6 million for the six months ended 30 June 2024. Such net loss was primarily attributable to the Group's substantial impairment losses on financial assets of approximately RMB196.0 million recorded during the period, which was mainly attributable to the result of the impairment assessments on the carrying amount of trade and other receivables performed as at 30 June 2024;
- (ii) as disclosed in the Company's interim report for the six months ended 30 June 2024, the Group recorded a decrease in trade and other receivables as at 30 June 2024 as compared that of 31 December 2023, primarily attributable to the result of the impairment assessments as explained in (i) above; and
- (iii) the Group recorded a decrease in administrative expenses for the ten months ended 31 October 2024 as compared to that of the corresponding period in 2023, mainly attributable to the cost control measures adopted by the management of the Group during the period.

**RESPONSIBILITY STATEMENT**

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Proposal, the Scheme, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

**SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$30,000,000 divided into 3,000,000,000 Shares with a par value of HK\$0.01 each;
- (b) the issued share capital of the Company was HK\$5,081,040 divided into 508,104,000 Shares with a par value of HK\$0.01 each;
- (c) all of the issued Shares ranked *pari passu* in all respects with each other, including all rights as to dividends, voting and capital;
- (d) no Shares had been issued since 31 December 2024, being the end of the last financial year of the Company, up to the Latest Practicable Date; and
- (e) there were no 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 the Shares.

**MARKET PRICES OF THE SHARES**

The table below sets out the closing price of the Shares as quoted on the Stock Exchange (i) at the last Business Day of each of the calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) on the Latest Practicable Date:

<b>Date</b>	<b>Closing Price (HK\$)</b>
31 May 2024	0.81
28 June 2024	0.85
31 July 2024	0.80
30 August 2024	0.55
30 September 2024	0.67
31 October 2024	0.65
15 November 2024 (the Last Trading Day)	0.52
29 November 2024	0.56
31 December 2024	0.56
20 January 2025 (the Latest Practicable Date)	0.56

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were, respectively, HK\$0.88 per Share on 17, 21 and 22 May 2024, and HK\$0.43 per Share on 3 September 2024.

**DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS****Directors' interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations**

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code.

As at the Latest Practicable Date, none of the Company, its subsidiaries or its associated companies was a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares, or debentures of, the Company or its associated corporation.

**Other substantial Shareholders' interests and short positions in the Shares and underlying Shares**

As at the Latest Practicable Date, Shareholders (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

***Long position in the Shares***

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate % of the total issued Shares<sup>(Note 1)</sup></b>
Mr. Ou Zonghong <sup>(Note 2)</sup>	Founder of a trust	375,000,000	73.80%
HSBC International Trustee Limited <sup>(Note 2)</sup>	Trustee of a trust	375,000,000	73.80%
Rongan Juxiang <sup>(Note 2)</sup>	Interest in controlled corporations	375,000,000	73.80%
The Offeror <sup>(Notes 2 and 3)</sup>	Beneficial owner	300,000,000	59.04%
Fumei International <sup>(Notes 2 and 3)</sup>	Beneficial owner	75,000,000	14.76%

*Notes:*

1. Calculated on the basis of 508,140,000 Shares in issue as at the Latest Practicable Date. The percentage figures shown have been rounded to two decimal places.
2. Mr. Ou Zonghong is the settlor and protector of the Family Trust with HSBC International Trustee Limited as trustee. Both the Offeror and Fumei International are wholly-owned by HSBC International Trustee Limited as trustee of the Family Trust through a special purpose holding vehicle, Rongan Juxiang.
3. The Shares held by the Offeror and Fumei International as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.

Save as disclosed above, as at the Latest Practicable Date, there was no person who (a) had interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

Save as disclosed above and disclosed in the section headed "Shareholding Structure of the Company" in the Explanatory Memorandum in Part VI of this Scheme Document, as at the Latest Practicable Date, none of the Offeror, its sole director or the Offeror Concert Parties owned or controlled any Shares or any options, warrants, derivatives or securities convertible into Shares.

**Interests and dealings in the securities of the Company**

During the Relevant Period:

- (a) none of the Offeror, its sole director or the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (b) none of the Directors had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

During the Offer Period and up to the Latest Practicable Date:

- (c) no subsidiaries of the Company, pension funds of the Company or of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (d) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (ii) the Offeror or the Offeror Concert Parties owned or controlled, or had any dealings in, any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (e) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

**Interests and dealings in the securities of the Offeror**

As at the Latest Practicable Date, none of the Company or any of the Directors had any interest in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares of the Offeror, or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

**Other interests**

As at the Latest Practicable Date:

- (a) no Shares, or convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (b) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

**Other arrangements in respect of the Proposal**

As at the Latest Practicable Date:

- (a) there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror or any of the Offeror Concert Parties which might be material to the Proposal, and there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror Concert Parties or any other associate of the Offeror and any other person;
- (b) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which related to circumstances in which it might or might not invoke or seek to invoke a condition to the Proposal;
- (c) neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to vote for or against the Proposal;
- (d) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (e) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Offeror Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal;
- (f) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (g) save for the Cancellation Price payable under the Scheme, the Offeror and the Offeror Concert Parties had not paid and would not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;

- (h) no arrangement or understanding (including any compensation arrangement) existed between any of the Directors and any other person which was conditional on or was dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (i) there was no material contract which had been entered into by the Offeror in which any Director had a material personal interest;
- (j) no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (k) there was no understanding, agreement, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any of the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (l) there was no arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholders and (ii)(1) the Offeror and Offeror Concert Parties, or (ii)(2) the Company, its subsidiaries or associated companies.

### **SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which were in force and which: (a) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

### **MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other members of the Group.

### **MATERIAL CONTRACTS**

As at the Latest Practicable Date, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years before the Offer Period and up to and including the Latest Practicable Date.



**EXPERTS AND CONSENTS**

The following are the qualifications of each of the experts who has given opinion or advice which is contained in this Scheme Document:

<b>Name</b>	<b>Qualification</b>
Somerley Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Lego Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and/or the references to its name in the form and context in which they are included.

As at the Latest Practicable Date, none of the experts mentioned above has any shareholdings in the Company.

**MISCELLANEOUS**

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The Hong Kong Branch Share Registrar is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (e) As at the Latest Practicable Date, the information regarding the Offeror and the principal members of the Offeror Concert Parties are as follows:
- (i) The sole director of the Offeror is Mr. Ou Zonghong. The registered office of the Offeror is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110. The Offeror is wholly-owned by Rongan Juxiang.
  - (ii) The sole director of Fumei International is Mr. Ou Zonghong. The registered office of Fumei International is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110. Fumei International is wholly-owned by Rongan Juxiang.
  - (iii) The sole director of Rongan Juxiang is Mr. Ou Zonghong. The registered office of Rongan Juxiang is at Woodbourne Hall, Road Town, Tortola, British Virgin Islands. Rongan Juxiang is wholly-owned by HSBC International Trustee Limited as the trustee of the Family Trust.
  - (iv) The correspondence address of Mr. Ou Zonghong is at Room 502, Building No. 6, Lane 226 Panyang Road, Minhang District, Shanghai, the PRC.
- (f) The principal place of business of Somerley is at 20/F, China Building, 29 Queen's Road Central, Hong Kong.
- (g) The principal place of business of the Independent Financial Adviser is at Room 1505, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (h) The joint company secretaries of the Company are Ms. Lin Yi (“**Ms. Lin**”) and Ms. Lee Angel Pui Shan (“**Ms. Lee**”). Ms. Lin is an executive Director and was qualified as Intermediate Accountant (中級會計師) by the Ministry of Finance of the PRC in December 1996. Ms. Lee is a certified public accountant of The Hong Kong Institute of Certified Public Accountants, and an associate member of The Chartered Governance Institute.

**DOCUMENTS ON DISPLAY**

A copy of the following documents will be available on display on the website of the Company at [www.rxswy.com](http://www.rxswy.com), and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) during the period from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the memorandum of association and articles of association of the Offeror;
- (b) the memorandum of association and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2021, 2022 and 2023;
- (d) the interim reports of the Company for the six months ended 30 June 2023 and 2024;
- (e) the letter from the Board, the text of which is set out in Part III of this Scheme Document;
- (f) the letter from the Independent Board Committee, the text of which is set out in Part IV of this Scheme Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in Part V of this Scheme Document;
- (h) the written consents referred to in the section headed “Experts and consents” in this Appendix; and
- (i) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 344 of 2024 (JAJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995 (AS REVISED)

AND IN THE MATTER OF RONSHINE SERVICE HOLDING CO., LTD 融信服務集團股份有限公司

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**SCHEME OF ARRANGEMENT**

**Between**

**RONSHINE SERVICE HOLDING CO., LTD**  
融信服務集團股份有限公司

**and**

**THE SCHEME SHAREHOLDERS**  
**(as hereinafter defined)**

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(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

<b>“acting in concert”</b>	has the meaning ascribed to it in the Takeovers Code and “persons acting in concert” and “concert parties” shall be construed accordingly
<b>“Announcement”</b>	the announcement dated 22 November 2024 jointly issued by the Offeror and the Company in relation to the Proposal
<b>“Board”</b>	the board of Directors
<b>“Cancellation Price”</b>	the cancellation price of HK\$0.60 per Scheme Share
<b>“Companies Act”</b>	the Companies Act (2023 Revision) of the Cayman Islands, as consolidated and revised from time to time
<b>“Company”</b>	Ronshine Service Holding Co., Ltd (融信服務集團股份有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2207)

<b>“Condition(s)”</b>	the condition(s) to the Proposal as set out 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 the Scheme Document
<b>“Court Meeting”</b>	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at which the Scheme of Arrangement will be voted upon, or any adjournment thereof
<b>“Director(s)”</b>	director(s) of the Company
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
<b>“Explanatory Memorandum”</b>	the explanatory memorandum set out in Part VI of the Scheme Document
<b>“Family Trust”</b>	the family trust established by Mr. Ou Zonghong as the settlor and protector, with HSBC International Trustee Limited as the trustee
<b>“Grand Court”</b>	the Grand Court of the Cayman Islands
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Board Committee”</b>	the independent board committee of the Company comprising, Mr. Chen Zhangwang, Mr. Kwok Kin Kwong Gary and Mr. Lin Zhongxiaolu, each an independent non-executive Director
<b>“Independent Financial Adviser”</b>	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
<b>“Independent Shareholders”</b>	all Shareholders, other than the Offeror and the Offeror Concert Parties

<b>“Latest Practicable Date”</b>	20 January 2025, being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information contained therein
<b>“Long Stop Date”</b>	30 June 2025 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as permitted by the Executive)
<b>“Mr. Ou Zonghong”</b>	Mr. Ou Zonghong (歐宗洪), the former chairman of the Board and former executive Director of the Company, and one of the controlling shareholders of the Company
<b>“Offer Period”</b>	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (being 22 November 2024) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
<b>“Offeror”</b>	Rongxin Yipin Co., Ltd (融心一品有限公司), a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Rongan Juxiang and is one of the controlling shareholders of the Company
<b>“Offeror Concert Parties”</b>	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including but not limited to Fumei International, Rongan Juxiang, Mr. Ou Zonghong and Somerley
<b>“Proposal”</b>	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to the conditions as described in the Scheme Document
<b>“Register”</b>	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
<b>“Rongan Juxiang”</b>	Rongan Juxiang Co., Ltd, a special purpose holding vehicle incorporated in the British Virgin Islands with limited liability, which is wholly owned by HSBC International Trustee Limited, the trustee of the Family Trust
<b>“Scheme”</b>	the scheme of arrangement under Section 86 of the Companies Act for the implementation of the Proposal

- |                              |   |
|------------------------------|---|
| <b>“Scheme Document”</b>     | the scheme document (of which the Scheme forms part) of the Offeror and the Company containing, amongst other things, further details of the Proposal and the Scheme                      |
| <b>“Scheme Record Date”</b>  | 14 March 2025 (or such other date as may be announced to the Shareholders), being the record date for the purpose of determining entitlements of the Scheme Shareholders under the Scheme |
| <b>“Scheme Share(s)”</b>     | Share(s) in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror and Fumei International                    |
| <b>“Scheme Shareholders”</b> | the registered holder(s) of the Scheme Shares as at the Scheme Record Date  |
| <b>“SFC”</b>                 | Securities and Futures Commission of Hong Kong  |
| <b>“SFO”</b>                 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| <b>“Share(s)”</b>            | ordinary share(s) having a par value of HK\$0.01 each in the share capital of the Company   |
| <b>“Shareholder(s)”</b>      | registered holder(s) of the Share(s)  |
| <b>“Stock Exchange”</b>      | The Stock Exchange of Hong Kong Limited   |
| <b>“Takeovers Code”</b>      | the Code on Takeovers and Mergers in Hong Kong  |
- (B) The Company was incorporated as an exempted company on 14 April 2020 with limited liability in the Cayman Islands.
- (C) As at the Latest Practicable Date: (i) the authorised share capital of the Company was HK\$30,000,000 divided into 3,000,000,000 Shares having a par value of HK\$0.01 each; and (ii) the issued share capital of the Company was HK\$5,081,040 divided into 508,104,000 Shares having a par value of HK\$0.01 each. Since 16 July 2021, the issued Shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.

- (E) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration for the Cancellation Price so that after the completion of the Scheme, the Offeror and Fumei International will own the entire issued share capital of the Company. Contemporaneously with the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.
- (F) As at the Latest Practicable Date, the major shareholdings of the Company were as follows:

	<b>Number of Shares</b>	<b>Approximate %<sup>(Note 3)</sup></b>
<b>The Offeror</b> <sup>(Notes 1 and 2)</sup>	300,000,000	59.04
<b>Offeror Concert Parties</b>		
– Fumei International <sup>(Notes 1 and 2)</sup>	75,000,000	14.76
<b>Sub-total of the Offeror and Offeror Concert Parties</b>	375,000,000	73.80
<b>Scheme Shareholders</b> who are Independent Shareholders	133,104,000	26.20
<b>Total Shares in issue</b>	508,104,000	100.00

*Notes:*

- Mr. Ou Zonghong is the settlor and protector of the Family Trust with HSBC International Trustee Limited as trustee. Both the Offeror and Fumei International are wholly-owned by HSBC International Trustee Limited as trustee of the Family Trust through a special purpose holding vehicle, Rongan Juxiang.
  - The Shares held by the Offeror and Fumei International will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
  - The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.
- (G) 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.
- (H) The Offeror and the Offeror Concert Parties have
- acknowledged to the Grand Court 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;
  - have undertaken to the Grand Court that, even if the Scheme is extended to them, they will not accept the Scheme in respect of the Shares held by them;



- (iii) have undertaken to the Grand Court 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
- (iv) have undertaken to the Grand Court 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: (a) restrict or delay the progress of the Scheme or the Proposal; or (b) prejudice the successful outcome of the Scheme or the Proposal.

## THE SCHEME

### PART I

#### **Cancellation and extinguishment of the Scheme Shares and issue of new Shares credited as fully paid at par to the Offeror**

1. On the Effective Date:
  - (a) all the Scheme Shares shall be cancelled and extinguished;
  - (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained by the issuance to the Offeror, credited as fully paid, an aggregate number of Shares which is equal to the number of Scheme Shares cancelled; and
  - (c) the Company shall apply the reserve created in its books of account as a result of the cancellation of the Scheme Shares in paying up in full the new Shares issued to the Offeror.

### PART II

#### **Consideration for the cancellation and extinguishment of the Scheme Shares**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay (or procure that there shall be paid) to each Scheme Shareholder (as appears in the Register on the Scheme Record Date):

**for each Scheme Share cancelled and extinguished ..... HK\$0.60 in cash**

### PART III

#### **General**

3. (a) As soon as possible and in any event not later than seven (7) Business Days (as defined under the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Scheme Shareholders cheques representing the Cancellation Price.

- (b) All cheques to be despatched to the Scheme Shareholders shall be sent by ordinary post to the Scheme Shareholders at their respective addresses as appearing in the Register on the Scheme Record Date, or in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of the Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, the financial adviser to the Offeror, the Independent Financial Adviser, the Hong Kong branch share registrar and transfer office of the Company or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (e) On or after the day being six (6) calendar months after the posting of the cheques pursuant to paragraph 3(b) of the Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror. The Offeror shall hold such monies on trust until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of the Scheme, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) Paragraph 3(f) shall take effect subject to any prohibition or condition imposed by law.
- (h) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.

4. As from and including the Effective Date:
  - (a) all certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
  - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
  - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
6. Unless the Scheme shall have become effective on or before the Long Stop Date, the Scheme shall lapse and be of no effect.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to the Scheme or to any condition which the Grand Court may see fit to approve or impose.
8. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

Date: 23 January 2025

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 344 of 2024 (JAJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995 (AS REVISED)

AND IN THE MATTER OF RONSHINE SERVICE HOLDING CO., LTD 融信服務集團股份有限公司

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**NOTICE OF COURT MEETING**

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**NOTICE IS HEREBY GIVEN** that, by an order dated 6 January 2025 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the Scheme Document hereinafter mentioned) for the purpose of considering and, if thought fit, approving (voting together as a single class), a scheme of arrangement (with or without modifications) (the “**Scheme**”) proposed to be made between Ronshine Service Holding Co, Ltd. (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 14 February 2025 at 9:00 a.m. (Hong Kong time) at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory memorandum explaining the effect of the Scheme are incorporated in the composite scheme document dated 23 January 2025 (“**Scheme Document**”) of which this notice forms part. A copy of the Scheme Document may also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong during usual business hours.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, to attend, speak and vote in their stead. Any Scheme Shareholder who is the holder of two or more Scheme Shares (as defined in the Scheme Document) may appoint more than one proxy to represent him/her. If more than one proxy is appointed, the number of Scheme Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the Scheme Document despatched to, among others, the Scheme Shareholders on Thursday, 23 January 2025. Completion and return of the **pink** form of proxy will not prevent a Scheme Shareholder from attending and voting in person at the Court Meeting (or any adjournment thereof) if he/she wishes to do so and in such event, the **pink** form of proxy submitted shall be deemed to have been revoked by operation of law.

In the case of joint registered holders of a Scheme Share, any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such Scheme Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

In order to be effective, the **pink** forms of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 9:00 a.m. on Wednesday, 12 February 2025. Alternatively, the **pink** forms of proxy may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged.

By the Order, the Court has appointed either Mr. Chen Zhangwang or Mr. Lin Zhongxiaolu, as agreed between them, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Grand Court.

By order of the board of directors of  
**Ronshine Service Holding Co., Ltd**  
**Ou Guofei**  
*Chairman*

Hong Kong, 23 January 2025

***Registered Office***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Principal Place of Business in Hong Kong***

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East, Wanchai  
Hong Kong

*Notes:*

- (1) Voting at the Court Meeting will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
- (2) The register of members of the Company will be closed from Tuesday, 11 February 2025 to Friday, 14 February 2025 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 10 February 2025.
- (3) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or "extreme conditions" announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting, the Court Meeting will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.



**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)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of holders of ordinary shares having a par value of HK\$0.01 each (the “**Shares**”) in the share capital of Ronshine Service Holding Co., Ltd (the “**Company**”) will be held at 10:00 a.m. (Hong Kong time) (or as soon as practicable after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document hereinafter mentioned) on Friday, 14 February 2025 at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions:

**SPECIAL RESOLUTION**

1. “**THAT:**

- (A) one of the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (the “**Scheme**”) as set out in the composite scheme document dated 23 January 2025 (the “**Scheme Document**”) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairperson of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands be and hereby is approved; and
- (B) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme Document), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme Document).”

**ORDINARY RESOLUTION**

2. “**THAT:**

- (A) subject to and forthwith upon such reduction of capital referred to in resolution no. 1(B) taking effect, the share capital of the Company will be increased to its former amount by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares (as defined in the Scheme Document) as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror (as defined in the Scheme Document), and the directors of the Company be and are hereby authorised to allot and issue the same accordingly;

- (B) any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or the reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
- (C) any of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares.”

By order of the board of directors of  
**Ronshine Service Holding Co., Ltd**  
**Ou Guofei**  
*Chairman*

Hong Kong, 23 January 2025

***Registered Office***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Principal Place of Business in Hong Kong***

40th Floor, Dah Sing Financial Centre  
No. 248 Queen’s Road East, Wanchai  
Hong Kong

*Notes:*

- (1) Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the composite scheme document dated 23 January 2025 (the “**Scheme Document**”), of which this notice forms part.
- (2) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) A **white** form of proxy for use at the EGM (or any adjournment thereof) is enclosed with the Scheme Document.
- (4) In the case of joint registered holders of a Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (5) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof, failing which the **white** form of proxy will not be valid. Completion and return of the **white** form of proxy will not preclude a member from attending the EGM and voting in person if he/she so wishes and in such event, the **white** form of proxy submitted will be revoked by operation of law.
- (6) Voting at the EGM will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.



- (7) The register of members of the Company will be closed from Tuesday, 11 February 2025 to Friday, 14 February 2025 (both days inclusive) and during such period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 10 February 2025.
- (8) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or "extreme conditions" announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.



**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)

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 344 of 2024 (JAJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 1995 (AS REVISED)

AND IN THE MATTER OF RONSHINE SERVICE HOLDING CO., LTD 融信服務集團股份有限公司

**PINK FORM OF PROXY**  
**FOR USE AT THE COURT MEETING CONVENED**  
**AT THE DIRECTIONS OF THE GRAND COURT OF THE CAYMAN ISLANDS**  
**TO BE HELD ON**

**FRIDAY, 14 FEBRUARY 2025 AT 9:00 A.M. (HONG KONG TIME) (OR ANY ADJOURNMENT THEREOF)**

**Pink** form of proxy for use at the court meeting (or any adjournment thereof) (the “**Court Meeting**”) of the Scheme Shareholders (as defined in the composite scheme document dated 23 January 2025 (the “**Scheme Document**”) of Ronshine Service Holding Co., Ltd (the “**Company**”).

I/We <sup>(Note 1)</sup> \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of \_\_\_\_\_ ordinary shares <sup>(Note 2)</sup> having a par value of HK\$0.01 each in the share capital of the Company,  
**HEREBY APPOINT THE CHAIRMAN OF THE COURT MEETING** <sup>(Note 3)</sup> or \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to attend and act for me/us and on my/our behalf at the Court Meeting convened by the direction of the Grand Court of the Cayman Islands (or at any adjournment thereof) of the Scheme Shareholders to be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Friday, 14 February 2025 at 9:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, approving the scheme of arrangement (with or without modifications) referred to in the Notice of the Court Meeting (the “**Scheme**”) and at the Court Meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) for or against the Scheme as indicated below <sup>(Note 4)</sup>, or if no such indication is given, as my/our proxy thinks fit and in respect of any other resolution(s) that may properly come before the Court Meeting and/or any adjournment thereof.

FOR the Scheme <sup>(Notes 4 and 8)</sup>	AGAINST the Scheme <sup>(Notes 4 and 8)</sup>

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Scheme Shareholder's signature <sup>(Notes 5 and 6)</sup>, \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

**Notes:**

- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**. The names of all joint holders should be stated.
- Please insert the number of Shares registered in your name(s) and to which this **pink** form of proxy relates. If no number is inserted, this **pink** form of proxy will be deemed to relate to all the Shares registered in your name(s).
- Any Scheme Shareholder entitled to attend and vote at the Court Meeting is entitled to appoint another person (who must be an individual) as his/her proxy to attend and vote instead of him/her. Your proxy need not be a member of the Company, but must attend the Court Meeting in person to represent you. If any proxy other than the Chairman of the Court Meeting is preferred, strike out the words “**THE CHAIRMAN OF THE COURT MEETING** or” and insert the name and address of the proxy desired in the space provided. A Scheme Shareholder who is the holder of two or more Shares may appoint more than one proxy (who must be an individual) to attend and vote on his/her behalf at the Court Meeting provided that if more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE COURT MEETING WILL ACT AS YOUR PROXY. ANY ALTERATION MADE TO THIS PINK FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE SCHEME, PLEASE (“✓”) TICK THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE SCHEME, PLEASE (“✓”) TICK THE BOX MARKED “AGAINST”.** Failure to tick either box will entitle your proxy to cast his/her vote or abstain at his/her discretion. Your proxy will also be entitled to vote at his/her discretion on any resolution or motion properly put to the Court Meeting other than those referred to in the Notice of the Court Meeting or abstain.
- This **pink** form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney or other person duly authorized to sign the same.
- Where there are joint registered holders of any share, any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Court Meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- To be valid, this **pink** form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be completed, signed and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the Court Meeting (or any adjournment thereof). Alternatively, this **pink** form of proxy may be handed to the Chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. Completion and return of this **pink** form of proxy will not preclude you from attending and voting at the Court Meeting (or any adjournment thereof) in person if you so wish, but in such event, this **pink** form of proxy will be deemed to have been revoked by operation of law.
- The Scheme will be voted upon by way of poll at the Court Meeting.
- The full text of the Scheme and a copy of an explanatory memorandum explaining the effect of the Scheme appears in the Scheme Document.

**PERSONAL INFORMATION COLLECTION STATEMENT**

“Personal Data” in this statement has the same meaning as “personal data” in the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “**PDPO**”). The supply of your and your proxy's Personal Data is on a voluntary basis. Failure to provide sufficient information may result in the Company being unable to process your appointment of proxy and instructions. Your and your proxy's Personal Data may be disclosed or transferred by the Company to its subsidiaries, its share registrar, and/or other companies or bodies for any of the stated purposes and retained for such period as may be necessary for our verification and record purposes. By providing your proxy's Personal Data in this form of proxy, you should have obtained the express consent (which has not been withdrawn in writing) from your proxy in using his/her Personal Data provided in this form of proxy and that you have informed your proxy of the purpose for and the manner in which his/her Personal Data may be used. You/your proxy have/has the right to request access to and/or correction of your/your proxy's Personal Data in accordance with the provisions of the PDPO. Any such request for access to and/or correction of your/your proxy's Personal Data should be in writing to the Hong Kong Privacy Officer of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.



# 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)

### WHITE FORM OF PROXY FOR USE AT THE EXTRAORDINARY GENERAL MEETING TO BE HELD AT 10:00 A.M. (OR AS SOON AS PRACTICABLE AFTER THE CONCLUSION OR ADJOURNMENT OF THE COURT MEETING) ON FRIDAY, 14 FEBRUARY 2025 (HONG KONG TIME) (OR ANY ADJOURNMENT THEREOF)

White form of proxy for use at the extraordinary general meeting (or any adjournment thereof) (the "EGM") of the holders of ordinary shares having a par value of HK\$0.01 each in the share capital of Ronshine Service Holding Co., Ltd (the "Company").

I/We (Note 1) \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of \_\_\_\_\_ ordinary shares (Note 2) having a par value of HK\$0.01 each in the share capital of the Company,  
**HEREBY APPOINT THE CHAIRMAN OF THE EGM (Note 3) or** \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to attend and act for me/us and on my/our behalf at the EGM (or at any adjournment thereof) to be held at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong at 10:00 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on Friday, 14 February 2025 (Hong Kong time) for the purpose of considering and, if thought fit, approving the resolutions set out in the notice dated 23 January 2025 convening the EGM (the "EGM Notice") and at the EGM (or at any adjournment thereof) to vote for me/us and in my/our name(s) for or against the resolutions as indicated below (Note 4), or if no such indication is given, as my/our proxy thinks fit and in respect of any other resolution(s) that may properly come before the EGM and/or any adjournment thereof.

	SPECIAL RESOLUTION	FOR (Note 4)	AGAINST (Note 4)
1. "THAT:	(A) one of the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (the "Scheme") as set out in the composite scheme document dated 23 January 2025 (the "Scheme Document") in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairperson of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands be and hereby is approved; and (B) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme Document), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme Document)."		
2. "THAT:	(A) subject to and forthwith upon such reduction of capital referred to in resolution no. 1(B) taking effect, the share capital of the Company will be increased to its former amount by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares (as defined in the Scheme Document) as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror (as defined in the Scheme Document), and the directors of the Company be and are hereby authorised to allot and issue the same accordingly; (B) any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or the reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and (C) any of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares."		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Shareholder's signature (Notes 5 and 6): \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

#### Notes:

- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**. The names of all joint holders should be stated.
- Please insert the number of Shares registered in your name(s) and to which this white form of proxy relates. If no number is inserted, this white form of proxy will be deemed to relate to all the Shares registered in your name(s).
- Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person (who must be an individual) as his/her proxy to attend and vote instead of him/her. Your proxy need not be a member of the Company, but must attend the EGM in person to represent you. If any proxy other than the Chairman of the EGM is preferred, strike out the words "THE CHAIRMAN OF THE EGM or" and insert the name and address of the proxy desired in the space provided. A Shareholder who is the holder of two or more Shares may appoint more than one proxy (who must be an individual) to attend and vote on his/her behalf at the EGM provided that if more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE EGM WILL ACT AS YOUR PROXY. ANY ALTERATION MADE TO THIS WHITE FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTIONS SET OUT ABOVE, PLEASE ("✓") TICK THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTIONS SET OUT ABOVE, PLEASE ("✓") TICK THE BOX MARKED "AGAINST"**. Failure to tick either box will entitle your proxy to cast his/her vote or abstain at his/her discretion. Your proxy will also be entitled to vote at his/her discretion on any resolution or motion properly put to the EGM other than those referred to in the EGM Notice or abstain.
- This white form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney or other person duly authorized to sign the same.
- Where there are joint registered holders of any share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- To be valid, this white form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be completed, signed and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM (or any adjournment thereof). Completion and return of this white form of proxy will not preclude you from attending and voting at the EGM (or any adjournment thereof) in person if you so wish, but in such event, this white form of proxy will be deemed to have been revoked by operation of law.
- Voting on all resolutions set out in the Notice will be decided by way of a poll at the EGM.
- Capitalised terms used herein but not otherwise defined shall have the same meaning ascribed to them in the composite scheme document dated 23 January 2025 of the Company.

#### PERSONAL INFORMATION COLLECTION STATEMENT

"Personal Data" in this statement has the same meaning as "personal data" in the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "PDPO"). The supply of your and your proxy's Personal Data is on a voluntary basis. Failure to provide sufficient information may result in the Company being unable to process your appointment of proxy and instructions. Your and your proxy's Personal Data may be disclosed or transferred by the Company to its subsidiaries, its share registrar, and/or other companies or bodies for any of the stated purposes and retained for such period as may be necessary for our verification and record purposes. By providing your proxy's Personal Data in this form of proxy, you should have obtained the express consent (which has not been withdrawn in writing) from your proxy in using his/her Personal Data provided in this form of proxy and that you have informed your proxy of the purpose for and the manner in which his/her Personal Data may be used. Your/your proxy have/has the right to request access to and/or correction of your/your proxy's Personal Data in accordance with the provisions of the PDPO. Any such request for access to and/or correction of your/your proxy's Personal Data should be in writing to the Hong Kong Privacy Officer of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.