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**Roiserv Lifestyle Services Co., Ltd.**

**榮萬家生活服務股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 2146)**

## **SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF FUND PRODUCTS**

Reference is made to the announcement of the Company dated 21 June 2021 in relation to the subscription agreement entered into among the Company, Beijing Tongxing and Industrial Securities Co., Ltd., pursuant to which the Company agreed to subscribe for the security-type contractual funds issued by Beijing Tongxing in the amount of RMB500 million (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with further information as set out below.

### **REASONS AND BENEFITS FOR THE SUBSCRIPTION OF THE FUND PRODUCTS**

As stated in the Announcement, the subscription of the Fund Products is considered as part of the Group's financial management to improve its capital utilisation.

The subscription of the Fund Products was not funded by the proceeds from the listing of the Company's H shares on the main board of the Stock Exchange on 15 January 2021. It was disclosed in the 2020 annual report of the Company that as at 31 December 2020, the Group's cash and cash equivalents amounted to RMB603.2 million, representing an increase of approximately 163.5% from RMB228.9 million as at 31 December 2019, such increase was mainly due to the acceleration of the collection of non-trade receivables from related parties. The original plan for the use of the amount of RMB500 million, being part of the cash generated from the Group's operation, had always been to pursue selective strategic investment and acquisition opportunities to further expand the Group's business scale and for operation use. As the Company is still looking for suitable strategic investments or acquisition targets, utilising temporary idle cash for investing in the Fund Products would enable the Company to earn income which is in the interests of the Company and its Shareholders as a whole.

Based on the monthly capital plan, the finance department of the Company expected that there would be excess cash from June 2021 onwards for at least 6 months which will be available for investments in financial products, and reported the same to the management of the Company. After conducting market research, it was found that Beijing Tongxing's main investment financial products were urban investment bonds ("UIBs"), which offered good returns at a relatively low risk. The Company then contacted Beijing Tongxing directly to better understand if there were any investment products available for its subscription.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, the Fund Products will only invest in fixed-income UIBs. Urban investment companies are functional state-owned enterprises which are directly controlled by local government authorities, such companies are primarily engaged in provision of social welfare and financing services. UIBs can be traded in the secondary market and enjoy good liquidity. As such, the fund is named "Tongxing Changxing No. 6 Fixed Income Private Equity Investment Fund (同興長興6號固定收益私募證券投資基金)", where the term "fixed income" refers to investing in fixed income products. As of the date of this announcement, the size of the Fund is RMB500 million.

It is also understood from the subscription and redemption of the past funds and other funds under management of Beijing Tongxing that all the investment targets of Beijing Tongxing in the past were UIBs, which are fixed-income funds. According to the information provided by Beijing Tongxing, the weighted average annualised return of the issued core fund products that have not been liquidated with the first investment operation for more than one month is 6.18% per annum. The rate of return upon maturity of the Fund Products issued by Beijing Tongxing is expected to be in the range of 5%-7% per annum, which is higher than the interest rates of the banks for demand deposits during the same period.

The UIBs would offer good returns at relatively low risk. Given that the Company is not a qualified institutional investor, it could not directly purchased bonds issued in the inter-bank market or the UIBs in accordance with the Administrative Measures for the Suitability of Investors in the Bond Market of the Shanghai Stock Exchange. After considering the features of the UIBs and that Beijing Tongxing has extensive fund management experience with proven track records, the Company decided to subscribe for the Fund Products, which is an open-ended fund, to increase the Company's revenue on the premise of ensuring the Company's flexibility in fund allocation. The terms of the open-ended fund would make it flexible for the Company to redeem the fund units at any time prior to maturity within the 15-year term. The Company will monitor its cash flow continuously and redeem the Fund Products at any time prior to maturity within the 15-year term of the subscription agreement as appropriate.

Having taken into consideration the above, the Directors are of the view that the terms of the subscription agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **FURTHER INFORMATION IN RELATION TO BEIJING TONGXING**

### **Background**

Beijing Tongxing is principally engaged in asset management business and is approved by the relevant authorities in the PRC to issue financial products. Beijing Tongxing has a team of senior experts in the financial industry, and was led by its senior management team in which all of its members have beyond 15 years of experience in project management and risk control within the financial industry. The average age of the senior management team members is approximately 42 and all of the senior management team members used to assume the role of head of departments in banks and securities firms.

### **Information on Relevant Experience and the Fund Manager**

Based on publicly available information and the materials provided by Beijing Tongxing, all the investment targets of Beijing Tongxing in the past were UIBs. According to the statistics of Wind Information\* (萬得資訊), a financial data platform, information and software service company headquartered in Shanghai, PRC, a total of 5,209 bonds were issued in China in 2020 with a total size of approximately RMB4,098.3 billion, bringing the balance of UIBs to approximately RMB10 trillion.

According to the information provided by Beijing Tongxing, Ms. Lei Zhenzhen and Ms. Li Shiyu are the fund managers of the Fund Products. Ms. Lei Zhenzhen has extensive experience in fund management. She is currently the chief investment officer of Beijing Tongxing, responsible for the overall operation of the Fund. Ms. Li Shiyu has extensive experience in finance and credit management. She has joined Beijing Tongxing as a fund manager since 2020. As of June 2021, Beijing Tongxing issued nine fund products in aggregate reached approximately RMB3 billion, all of which were investing in UIBs.

### **Ultimate Beneficial Owners**

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, Beijing Tongxing is owned as to 75% and 25% by Mr. Zhou Jichang (周繼昌) ("Mr. Zhou") and Tongxing Wencheng (Beijing) Asset Management Company Limited\* (同興穩成(北京)投資管理有限公司), respectively.

Mr. Zhou previously served as the general manager in the business department of Beijing Maohongsen Trading Co., Ltd.\* (北京懋泓森商貿有限公司), a company engaged in sales of steel and iron ore building materials. He moved on later to be the general manager of Beijing Henglu Investment Co., Ltd.\* (北京恒陸投資有限公司), a company engaged in investment management, investment consulting, business management consulting, economic and trade consulting, and corporate planning.

He then served as the deputy general manager of Huayu Guoxin Investment Fund (Beijing) Co., Ltd., (華宇國信投資基金(北京)有限公司), an asset management company engaged in providing project management and fund collection services for domestic securities companies and trust companies, and is indirectly owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) in the PRC. Mr. Zhou was specifically responsible for the overall management of the investment and financing segment of urban investment. He is currently the majority shareholder and chairman of Beijing Tongxing.

Tongxing Wencheng (Beijing) Asset Management Company Limited, a company which is principally engaged in investment and asset management business, is owned as to 70%, 20% and 10% by Shenzhen Guoxing Wencheng Management Consulting Partnership (Limited Partnership)\* (深圳市國興穩成管理諮詢合夥企業(有限合夥)), Beijing Fulu Wencheng Information Technology Company Limited\* (北京福祿穩成信息科技有限公司) and Zhongjia Taihe (Ningbo) Cultural Development Company Limited\* (中嘉泰合(寧波)文化發展有限公司), respectively.

Shenzhen Guoxing Wencheng Management Consulting Partnership (Limited Partnership), a company which is principally engaged in investment and asset management business, is owned as to 87.10% and 12.90% by National Trust Company Limited\* (國民信託有限公司) and Shenzhen Qianhai Zhongtaixin Financial Asset Management Company Limited\* (深圳市前海中泰信融資產管理有限公司), respectively.

National Trust Company Limited, a company which is principally engaged in trust business, is ultimately owned as to 94% by Mr. Zhang Jun (張駿) who is a merchant and an Independent Third Party and 6% by Independent Third Parties, respectively.

Shenzhen Qianhai Zhongtaixin Financial Asset Management Company Limited, a company which is principally engaged in financial and asset management business, is owned as to 66.67% and 33.33% by Mr. Ma Chao (馬超) and Mr. Li Chaonan (李超楠), respectively.

Beijing Fulu Wencheng Information Technology Company Limited, a company which is principally engaged in provision of technology promotion service, is owned as to 48.45% by Mr. Wang Zhongkai (王忠凱), 10% by Mr. Hu Lifeng (胡麗峰), 10% by Mr. Ge Jun (葛軍), 10% by Mr. Li Xiuzhi (李秀芝), 10% by Mr. Jia Jinling (賈金靈), 6.93% by Beijing Wanding Zhongbang Investment Holding Co., Ltd. (北京萬鼎眾邦投資控股有限公司), 2.31% by Mr. Wang Wei (王偉) and 2.31% by Mr. Zheng Qi (鄭祺), respectively.

Beijing Wanding Zhongbang Investment Holding Co., Ltd., a company which is principally engaged in project investment, asset management and consulting services, is owned as to 40% by Mr. Li Jiahui (李佳慧), 20% by Mr. Liu Yueshuang (劉躍雙), 20% by Mr. Li Jun (李軍) and 20% by Mr. Liu Jianshe (劉建立), respectively.

Zhongjia Taihe (Ningbo) Cultural Development Company Limited, a company which is principally engaged in organisation and planning of cultural and artistic exchange activities and products, is wholly owned by Mr. Yu Xuesong (于雪松).

As disclosed in the Announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Beijing Tongxing and its ultimate beneficial owner(s) are Independent Third Parties.

The additional information as disclosed above does not affect any other information contained in the Announcement.

By order of the Board  
**Roiserv Lifestyle Services Co., Ltd.**  
**Geng Jianfu**  
*Chairman and Executive Director*

Langfang, the PRC, 27 July 2021

*As at the date of this announcement, the executive Directors are Mr. Geng Jianfu, Mr. Xiao Tianchi and Mr. Liu Yonggang, the non-executive Director is Mr. Zhang Wenge; and the independent non-executive Directors are Mr. Jin Wenhui, Mr. Siu Chi Hung and Mr. Tang Yishu.*

\* *For identification purpose only*