

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Lushang Life Services Co., Ltd.

魯商生活服務股份有限公司

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

(Stock Code: 2376)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
CAPITAL INCREASE
AND
DEEMED DISPOSAL OF EQUITY INTEREST
IN A SUBSIDIARY**

CAPITAL INCREASE

On March 21, 2025 (after trading hours of the Stock Exchange), the Company entered into the Capital Increase Agreement with the Investor and the Target Company, pursuant to which the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group's accounts. The Target Company will be accounted for an associate of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Investor is an indirect wholly-owned subsidiary of Shandong Commercial, which is the controlling Shareholder of the Company. Shandong Commercial, together with its associates, hold and/or are entitled to exercise control over 100,000,000 Domestic Shares, which represent approximately 75.00% of the Company's entire issued share capital. Therefore, being an associate of Shandong Commercial, the Investor is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the Capital Increase pursuant to the Capital Increase Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Thus, the Capital Increase pursuant to the Capital Increase Agreement constitutes a deemed disposal of the Target Company by the Company under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Increase exceeds 5% but all of them are less than 25%, the Capital Increase pursuant to the Capital Increase Agreement constitutes a disclosable transaction of the Company and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Furthermore, with one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 5% and the total consideration of the Capital Increase being more than HK\$10,000,000.00, the Capital Increase pursuant to the Capital Increase Agreement constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, independent financial advice and the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Wang Zhongwu is a director of the Shandong Urban and Rural. Accordingly, Mr. Wang Zhongwu has considered himself to have a material interest in the Capital Increase Agreement and has abstained from voting on the relevant resolution(s) of the Board approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save and except for the Investor and its associates, no Shareholder has a material interest in the Capital Increase and accordingly, no Shareholder and his/her/its associates (other than the Investor and its associates) are therefore required to abstain from voting on the relevant resolution(s) to approve, amongst other things, the Capital Increase to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors (i.e. Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao) has been established to consider, and make recommendations to the Independent Shareholders regarding, amongst other things, whether the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Capital Increase Agreement.

Furthermore, the Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Capital Increase Agreement and the Capital Increase are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on whether to vote in favour of the resolutions to be proposed for approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder at the EGM.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Increase Agreement and the Capital Increase; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the EGM, is required to be despatched to the Shareholders within fifteen (15) Business Days after the publication of this announcement in accordance with the Listing Rules. As additional time is required to prepare and finalise certain information to be included in the circular, the circular is expected to be despatched on or before April 15, 2025.

As the Capital Increase pursuant to the Capital Increase Agreement and its Completion are subject to the fulfilment of the Conditions Precedent set out in the Capital Increase Agreement, the transactions contemplated thereunder may or may not proceed to completion and Shareholders and potential investors of the Company should exercise caution when dealing with the securities of the Company.

INTRODUCTION ON THE CAPITAL INCREASE

The Board hereby announces that, on March 21, 2025 (after trading hours of the Stock Exchange), the Company entered into the Capital Increase Agreement with the Investor and the Target Company, pursuant to which the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

THE CAPITAL INCREASE AGREEMENT

The principal terms and conditions of the Capital Increase Agreement are set out as follows:

Date : March 21, 2025 (after trading hours of the Stock Exchange)

Parties : (1) The Company;
(2) The Investor; and
(3) The Target Company

Subject Matter

Pursuant to the Capital Increase Agreement, the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group's accounts. The Target Company will be accounted for an associate of the Company.

Capital Contribution Sum and Payment Terms

The Investor shall pay the Capital Contribution Sum in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) by way of cash contribution to the Target Company within ten (10) Working Days upon fulfillment of the Conditions Precedent.

Basis of the Capital Contribution Sum and Valuation of the Target Company

The Capital Contribution Sum was arrived at after arm's length negotiations among the parties to the Capital Increase Agreement with reference to:

- (i) the appraised net asset value of the Target Company as at the Valuation Benchmark Date in the amount of approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00) in the Valuation Report issued by the Independent Valuer; and
- (ii) the benefits to be derived by the Group from the Capital Increase as stipulated in the section headed "Reasons for and benefits of the Capital Increase" below.

Under the Valuation conducted by the Independent Valuer, the appraised net asset value of the Target Company as at the Valuation Benchmark Date in the amount of approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00) was arrived at with adoption of the asset-based approach, which was considered the most appropriate approach for the valuation of the Target Company.

In view of the Valuation Report, and taking into account that (i) the Valuation Report was prepared in compliance with PRC valuation procedures, standards, laws and regulations by the Independent Valuer; and (ii) the Independent Valuer had reviewed relevant financial information, operational information and other data relevant to the Target Company prior to its conclusion of the above appraised value, the Directors consider that the methodology utilised for the Valuation and the results derived thereunder to be fair and reasonable.

Taking into account of the above, the Board of Directors (save and except for (i) the independent non-executive Directors who has formed the Independent Board Committee and will express their views after receiving advice from the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu who abstained from voting at the Board meeting with respect to the resolutions relevant to the Capital Increase due to his material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder) is of the view that the Capital Contribution Sum is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Conditions Precedent

The completion of the transactions contemplated under the Capital Increase Agreement is conditional upon, among other things, the fulfilment or waiver (as the case may be) of the following conditions following the execution of the Capital Increase Agreement:

- A. the Company, the Investor and the Target Company have respectively made valid decisions to approve the execution and the performance of the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder and obtained the authorisation document from the relevant state-owned assets supervision and administration department or its authorised bodies;
- B. the Company, the Investor and the Target Company have respectively executed and delivered all documents in relation to the Capital Increase, including but not limited to the Capital Increase Agreement, the amended articles of association of the Target Company and resolutions of their respective shareholders;
- C. the pre-emptive right, option for purchase, etc. of the Company or any third party in connection with the Capital Increase have been duly waived in writing;
- D. the absence of laws, regulations, judgments, rulings, orders or injunctions of the courts or relevant government authorities which would restrict, prohibit or repeal the Capital Increase;
- E. the necessary internal and external approval(s) to the Investor's execution and performance of the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder having been obtained, including but not limited to the approvals from Shandong Commercial, the relevant state-owned assets supervision and administration department or its authorised bodies;
- F. the approvals to the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder from the Independent Shareholders at the EGM to be convened having been obtained from the Independent Shareholders; and
- G. all necessary approvals of the Stock Exchange in connection with the transactions contemplated under the Capital Increase Agreement having been obtained.

The Conditions Precedent stipulated above cannot be waived, and in the event that any of the Conditions Precedent has not been satisfied on or before the Long Stop Date (subject to the extension of which as agreed in writing by the parties to the Capital Increase Agreement), the Capital Increase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the Capital Increase Agreement save and except for rights and remedies available to the non-defaulting party in relation to any breach prior to termination.

Completion

Completion shall take place on the Completion Date, which shall be within ten (10 Working Days after the fulfillment of the Conditions Precedent.

Registration of Change

Within ten (10) Working Days after the Completion Date, the Investor shall have the right to request the Target Company to complete and fulfill all Registration of Change.

Arrangement during Transition

Upon the Capital Contribution Sum being paid in full and the Investor being entered into the register of members of the Target Company, any interest in the Target Company, together with any undistributed profits of the Target Company prior to the completion of the Registration of Change, shall be proportionally enjoyed by the Company and the Investor in accordance with their respective shareholding in the Target Company upon Completion.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding, joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of the Stock Exchange (stock code: 2376).

The Group is principally engaged in the provision of (i) property management services for property developers, property owners, residents and tenants with a wide range of property management services; (ii) wide spectrum of value-added services to non-property owners covering various stages of the property development and delivery process; and (iii) community value-added services with the aim to improve property owners' and residents' quality of life.

INFORMATION OF THE INVESTOR

The Investor is a company established in the PRC with limited liability and is principally engaged in property development and construction. It is a direct wholly-owned subsidiary of Shandong Urban and Rural which is an investment holding company established in the PRC with limited liability and a direct wholly-owned subsidiary of Shandong Commercial, a controlling Shareholder which indirectly holds 100,000,000 Domestic Shares, representing approximately 75.00% of the Company's entire issued share capital. Amongst the shareholding of Domestic Shares contemplated above, Green Development, a wholly-owned subsidiary of Shandong Urban and Rural, holds 4,900,000 Domestic Shares, representing approximately 3.67% of the Company's entire issued share capital.

INFORMATION OF THE TARGET COMPANY

The Target Company, a direct wholly-owned subsidiary of the Company as at the date of this announcement and immediately prior to Completion, is a company incorporated in the PRC with limited liability on December 11, 2008 with a registered capital of RMB20,000,000.00.

It is principally engaged in real estate greening projects and garden greening maintenance.

Financial information of the Target Company

The audited consolidated financial information of Target Company for the two years ended December 31, 2022 and 2023 and for the period from January 1, 2024 to August 31, 2024 prepared in accordance with the China Accounting Standards for Business Enterprises are as follows:

| | For the period ended August 31, 2024 (audited) (RMB) | For the year ended December 31, 2023 (audited) (RMB) | For the year ended December 31, 2022 (audited) (RMB) |
|--------------------------|---|---|---|
| Revenue | 40,802,445.36 | 57,804,955.61 | 78,622,653.91 |
| Profit/(loss) before tax | 380,984.15 | 4,198,907.94 | 6,363,392.02 |
| Profit/(loss) after tax | 262,964.08 | 3,540,971.58 | 4,749,287.09 |

As at August 31, 2024, the audited net asset value of the Target Company was RMB34,866,617.25 (equivalent to approximately HK\$37,490,986.00), and according to the Valuation Report, the appraised net asset value of the Target Company was approximately RMB34,887,800.00 (equivalent to approximately HK\$37,513,763.00).

FINANCIAL EFFECTS OF THE CAPITAL INCREASE

Immediately prior to Completion, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group's accounts. The Target Company will be accounted for an associate of the Company.

As the Investor invests in the Target Company as a result of the Capital Increase, it is estimated that, save and except for the relevant transaction costs and expenses, the Capital Increase will not result in any profit or loss to the Group. However, the actual financial effect shall be further audited by the Company's auditor.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The Group is principally engaged in the provision of (i) property management services for property developers, property owners, residents and tenants with a wide range of property management services; (ii) wide spectrum of value-added services to non-property owners covering various stages of the property development and delivery process; and (iii) community value-added services with the aim to improve property owners' and residents' quality of life.

Meanwhile, the Target Company is principally engaged in real estate greening projects and garden greening maintenance.

With the national policy emphasizing on green development, the landscape industry is shifting from “scale expansion” to “quality improvement” and the profitability of traditional greening projects decline as a result of the decrease in the incremental volume of real estate. There is a mismatch between the existing business structure (relying on traditional real estate and landscape projects) of the Target Company and the long-term trend, resulting in the urgent demand for the Target Company to transform its businesses through asset restructuring.

The Investor was established in September 1992 with a registered capital of RMB50,000,000, which was wholly owned by Shandong Urban and Rural. As of 31 December 2023, its assets, liabilities and net assets amounted to RMB113,548,100, RMB95,958,800 and RMB17,589,300, respectively. The Investor has a forward-looking construction management service team. In 2012, it spearheaded its construction business in the province, which was the leader of construction business in the province. It has created numerous premium cases for the government and platform companies in terms of property construction and operation services, such as schools, hospitals, commercial complexes, office buildings, stadiums and residential buildings, with the accumulated construction management area amounting to approximately 2,900,000 square meters, thereby accumulating extensive experience in full-process project management services.

As the Investor has abundant resources in landscape and gardening projects with diversified portfolios, the competitiveness of the Target Company among the landscaping industry would be strengthened, its scope of business will be substantially expanded and it is expected that the expansion into municipal construction projects would generate substantial revenue stream to the Target Company. Given that upon Completion, the Target Company will be an associate of the Group and continue to serve as an important part of the Group’s investment. Although the Group no longer holds a controlling stake in the Target Company, it will assist the Investor in introducing strategic investors or new shareholders, promoting the transformation of businesses of the Target Company into high-growth sectors like municipal engineering, ecological restoration and vertical greening, as well as exploring synergistic scenarios (such as cooperation in community greening operation and maintenance) with the Group's existing businesses. return of the Group’s investment in the Target Company will be enhanced without the need to further use its own resources to finance the Capital Increase of the Target Company.

In light of the above, the Directors (save and except for (i) the independent non-executive Directors who has formed the Independent Board Committee and will express their views to be set out in the letter from the Independent Board Committee in the circular after receiving advice from the Independent Financial Adviser; and (ii) Mr. Wang Zhongwu who abstained from voting at the Board meeting with respect to the resolutions relevant to the Capital Increase due to his material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder) are of the view that the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder are on normal commercial terms, and that the terms of the transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Investor is an indirect wholly-owned subsidiary of Shandong Commercial, which is the controlling Shareholder of the Company. Shandong Commercial, together with its associates, hold and/or are entitled to exercise control over 100,000,000 Domestic Shares, which represent approximately 75.00% of the Company's entire issued share capital. Therefore, being an associate of Shandong Commercial, the Investor is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the Capital Increase pursuant to the Capital Increase Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Thus, the Capital Increase pursuant to the Capital Increase Agreement constitutes a deemed disposal of the Target Company by the Company under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Increase exceeds 5% but all of them are less than 25%, the Capital Increase pursuant to the Capital Increase Agreement constitutes a disclosable transaction of the Company and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Furthermore, with one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 5% and the total consideration of the Capital Increase being more than HK\$10,000,000.00, the Capital Increase pursuant to the Capital Increase Agreement constitutes a connected transaction of the Company which is subject to reporting, announcement, circular, independent financial advice and the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Wang Zhongwu is a director of the Shandong Urban and Rural. Accordingly, Mr. Wang Zhongwu has considered himself to have a material interest in the Capital Increase Agreement and has abstained from voting on the relevant resolution(s) of the Board approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save and except for the Investor and its associates, no Shareholder has a material interest in the Capital Increase and accordingly, no Shareholder and his/her/its associates (other than the Investor and its associates) are therefore required to abstain from voting on the relevant resolution(s) to approve, amongst other things, the Capital Increase to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors (i.e. Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao) has been established to consider, and make recommendations to the Independent Shareholders regarding, amongst other things, whether the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Capital Increase Agreement.

Furthermore, the Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Capital Increase Agreement and the Capital Increase are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on whether to vote in favour of the resolutions to be proposed for approving the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder at the EGM.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Increase Agreement and the Capital Increase; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required to be disclosed under the Listing Rules; and (v) the notice convening the EGM, is required to be despatched to the Shareholders within fifteen (15) Business Days after the publication of this announcement in accordance with the Listing Rules. As additional time is required to prepare and finalise certain information to be included in the circular, the circular is expected to be despatched on or before April 15, 2025.

As the Capital Increase pursuant to the Capital Increase Agreement and its Completion are subject to the fulfilment of the Conditions Precedent set out in the Capital Increase Agreement, the transactions contemplated thereunder may or may not proceed to completion and Shareholders and potential investors of the Company should exercise caution when dealing with the securities of the Company.

DEFINITIONS

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

| | |
|------------------------------|--|
| “associate(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “Business Day” | a day (excluding Saturdays, Sundays and public holidays) on which licensed banks are open for general banking business in Hong Kong; |
| “Capital Increase Agreement” | the capital increase agreement dated March 21, 2025 and entered into between the Company, the Investor and the Target Company in relation to the Capital Increase; |

| | |
|----------------------------|--|
| “Company” | Lushang Life Services Co., Ltd. (魯商生活服務股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, its H Shares are listed and traded on the main board of the Stock Exchange (stock code: 2376); |
| “Completion” | completion of the Capital Increase in accordance with the Capital Increase Agreement; |
| “Conditions Precedent” | conditions precedent to the Completion, details of which are set out in the paragraph headed “Conditions Precedent” in this announcement; |
| “connected person” | has the meaning ascribed to it in the Listing Rules; |
| “Capital Contribution Sum” | the aggregate amount of the Capital Increase being RMB36,320,000.00; |
| “Capital Increase” | the proposed capital contribution in the Target Company in an aggregate amount of RMB36,320,000.00 by the Investor pursuant to the Capital Increase Agreement; |
| “Director(s)” | the director(s) of the Company; |
| “Domestic Share(s)” | ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB; |
| “EGM” | the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Capital Increase Agreement and the transactions contemplated thereunder; |
| “Green Development” | Shandong Urban and Rural Green Industry Development Investment Co., Ltd. (山東省城鄉綠色產業發展投資有限公司), a wholly-owned subsidiary of Shandong Urban and Rural, which holds 4,900,000 Domestic Shares, representing approximately 3.67% of the Company’s entire issued share capital; |
| “Group” | the Company and its subsidiaries; |

| | |
|---------------------------------|--|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Independent Board Committee” | the independent board committee of the Company comprising all the independent non-executive Directors, namely Ms. Leung Bik San, Ms. Chen Xiaojing and Mr. Ma Tao, being, which is formed to advise the Independent Shareholders on the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder; |
| “Independent Financial Adviser” | the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder; |
| “Independent Shareholders” | the Shareholders, other than the Investor and his associates, who have no material interest in the Capital Increase Agreement, the Capital Increase and the transactions contemplated thereunder to be proposed at the EGM and are not required under the Listing Rules to abstain from voting at the EGM; |
| “Independent Third Party(ies)” | an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial Shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates; |
| “Independent Valuer” | Shandong Xintiandi Land and Real Estate Assets Appraisal Co., Ltd.* (山東新天地土地房地產資產評估有限公司), an Independent Third Party; |
| “Investor” | Shandong Commercial Real Estate Development Co., Ltd.* (山東省城發建設管理有限公司) and a company established in the PRC with limited liability, a wholly-owned subsidiary of Shandong Urban and Rural; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |

| | |
|----------------------------|---|
| “Long Stop Date” | the last day of the 90-day period after the date of the Capital Increase Agreement (or such later date as the parties to the Capital Increase Agreement may agree in writing); |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan; |
| “Registration of Change” | relevant procedures in respect of the Capital Increase, including but not limited to (i) the register of members of the Target Company to be revised; and (ii) such necessary changes of industrial and commercial registration; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “SFO” | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; |
| “Shandong Commercial” | Shandong Commercial Group Co., Ltd. (山東省商業集團有限公司), owned by Shandong SASAC as to 70% of its equity interest, is a company established in the PRC with limited liability, and as the controlling Shareholder of the Company; and Shandong Commercial together with its associates, hold 100,000,000 Domestic Shares, representing approximately 75.00% of the Company’s entire issued share capital; |
| “Shandong SASAC” | Shandong Provincial State-Owned Assets Supervision and Administration Commission (山東省人民政府國有資產監督管理委員會); |
| “Shandong Urban and Rural” | Shandong Urban and Rural Development Group Co., Ltd.* (山東省城鄉發展集團有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shandong Commercial, the controlling Shareholder of the Company; |
| “Share(s)” | Domestic Share(s) and/or H Share(s) of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |

| | |
|----------------------------|--|
| “Stock Exchange” | the Stock Exchange of Hong Kong Limited; |
| “Target Company” | Shandong Blue Shore Garden Engineering Co., Ltd* (山東藍岸園林工程有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company as at the date of this announcement and immediately prior to Completion; |
| “Valuation” | the appraisal of the asset value of the entire equity interest in the Target Company as at the Valuation Benchmark Date, as appraised by the Independent Valuer; |
| “Valuation Benchmark Date” | August 31, 2024, being the valuation reference date of the appraised asset value of the Target Company; |
| “Valuation Report” | the valuation report dated November 13, 2024 issued by the Independent Valuer with respect to the Valuation; |
| “Working Day” | a day on which licensed banks are open for general banking business in the PRC; |
| “%” | per cent. |

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

Jinan, the PRC, March 21, 2025

For the purpose of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.93. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

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

* For identification purposes only