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Ever Sunshine Lifestyle Services Group Limited

永升生活服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1995)

(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 55% EQUITY INTERESTS IN THE TARGET COMPANY; AND (II) CHANGE IN USE OF NET PROCEEDS

THE ACQUISITION

On 18 June 2019 (after trading hours), the Purchasers entered into the Acquisition Agreement with the Vendors and the Warrantors pursuant to which the Purchasers have conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interests, being 55% equity interests in the Target Company, for a cash Consideration of RMB462 million (equivalent to approximately HK\$526.68 million).

Upon Completion, the Group will be interested in 55% equity interests in the Target Group and the Target Group will become non-wholly-owned subsidiaries of the Company. The financial results of the Target Group will be consolidated into the Group's financial statements.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement and the transactions contemplated thereunder are more than 25% but less than 100%, the transactions contemplated under the Acquisition Agreement constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement requirements and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 18 June 2019 (after trading hours), the Purchasers entered into the Acquisition Agreement with the Vendors and the Warrantors pursuant to which the Purchasers have conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interests, being 55% equity interests in the Target Company, for a cash Consideration of RMB462 million (equivalent to approximately HK\$526.68 million).

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are summarized as follow:

Date:

18 June 2019 (after trading hours)

Parties:

- Vendors:
- (1) Shenyang Sunny World Department Store Company Limited* (瀋陽新地陽光百貨有限公司) (Vendor I)
 - (2) New World (Qingdao) Real Estate Company Limited* (新世界(青島)置地有限公司) (Vendor II)
 - (3) Qingdao Sunny World Real Estate Company Limited* (青島陽光新地置業有限公司) (Vendor III)
 - (4) Sunny World Department Store Company Limited* (陽光百貨股份有限公司) (Vendor IV)
 - (5) Jiangxi Sunny World Hotel Company Limited* (江西新地酒店有限公司) (Vendor V)
 - (6) Suzhou Sunny World Real Estate Company Limited* (蘇州陽光新地置業有限公司) (Vendor VI)
 - (7) Suzhou Xinzhu Hotel Company Limited* (蘇州新住大酒店有限公司) (Vendor VII)
 - (8) Suzhou Sunny World Department Store Company Limited* (蘇州新地陽光百貨有限公司) (Vendor VIII)

Purchasers: (1) the Company

(2) Shanghai Yongsheng Property Management Company Limited* (上海永升物業管理有限公司) (a wholly-owned subsidiary of the Company)

Warrantors: (1) Nanjing Sunny World Real Estate Company Limited* (南京陽光新地置業有限公司) (Warrantor I)

(2) Qingdao Sunny World Group Company Limited* (青島新地集團有限公司) (Warrantor II)

(3) Nanchang Sunny World Real Estate Company Limited* (南昌陽光新地置業有限公司) (Warrantor III)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, the Vendors, the Warrantors and their respective ultimate beneficial owners are Independent Third Parties.

ASSETS TO BE ACQUIRED

Pursuant to the Acquisition Agreement, the Purchasers have conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Interests, being 55% equity interests in the Target Company.

The Sale Interests shall comprise:

- (1) 11.5% equity interests to be transferred by Vendor I;
- (2) 4% equity interests to be transferred by Vendor II;
- (3) 10% equity interests to be transferred by Vendor III;
- (4) 6% equity interests to be transferred by Vendor IV;
- (5) 5% equity interests to be transferred by Vendor V;
- (6) 8.5% equity interests to be transferred by Vendor VI;
- (7) 5% equity interests to be transferred by Vendor VII; and
- (8) 5% equity interests to be transferred by Vendor VIII.

The Warrantors shall guarantee and warrant the profit guarantee (as detailed in the paragraph headed “Profit Guarantee” of this announcement) and the due performance by the Vendors of all their respective obligations, responsibilities, representations, undertakings and warranties under the Acquisition Agreement and assist the Vendors in compliance of the conditions precedent set out in the Acquisition Agreement.

CONSIDERATION

The Consideration is RMB462 million (equivalent to approximately HK\$526.68 million) and shall be paid in the following manner:

1st Instalment

RMB220 million (equivalent to approximately HK\$250.8 million) shall be payable by the Purchasers to the Vendors within 15 Working Days upon all the following conditions precedent set out in the Acquisition Agreement having been complied with:

- (1) all necessary relevant approvals and consents in relation to the Acquisition having been obtained by the Vendors, the Warrantors and the Target Company;
- (2) resolutions in relation to the Acquisition having been passed by the respective board of directors of the Purchasers;
- (3) the Vendors and the Warrantors having executed the Share Charge in favour of Shanghai Yongsheng and the Target Company having applied to the relevant government authority for registration of the Share Charge;
- (4) Vendor II having executed the Vendor II’s Share Charge in favour of Shanghai Yongsheng and Shenyang WTC having applied to the relevant government authority for registration of the Vendor II’s Share Charge;
- (5) Vendor II having executed the Mortgage in favour of Shanghai Yongsheng and Vendor II having applied to the relevant government authority for registration of the Mortgage; and
- (6) there having been no material adverse change to the Acquisition since the date of the Acquisition Agreement.

Completion

Completion shall take place when all the following conditions precedent set out in the Acquisition Agreement having been complied with:

- (1) all necessary legal procedures required for the registration of the Share Charge, the Vendor II's Share Charge and the Mortgage having been completed within 20 Working Days from the date of the Acquisition Agreement;
- (2) the Corporate Guarantee and the Regulatory Agreement having been terminated and released within 90 calendar days from the date of the payment of the 1st instalment of the Consideration;
- (3) the passing by the Shareholders, who are entitled to vote and not required to be abstained from voting under the Listing Rules at the EGM to be convened and held, of the necessary ordinary resolution(s) to approve, among other things, the Acquisition Agreement and the transactions contemplated thereunder;
- (4) there having been no material adverse change to the business, results of operations, financial position, assets, liabilities or prospects of the Target Company since the date of the Acquisition Agreement;
- (5) the representations, warranties and undertakings given by the Vendors and the Warrantors under the Acquisition Agreement being true, correct and complete when made and remaining true, correct and complete and not misleading; and
- (6) subject to the fulfilment of conditions (2) and (3) above, the Share Charge having been released and discharged and the remaining 45% equity interests in the Target Company having been re-charged in favour of Shanghai Yongsheng and the necessary legal procedures required for its registration having been completed.

None of the above conditions precedent may be waived by either parties to the Acquisition Agreement. If the conditions precedent as stated above have not been satisfied within the time specified in the relevant conditions precedent, the Purchasers may terminate the Acquisition Agreement and the transactions contemplated thereunder and the Vendors shall, refund all the instalments paid under the Acquisition Agreement before the date to be specified by the Purchasers.

Within 20 Working Days upon fulfillment of the above conditions precedent, the Vendors, the Warrantors and the Target Company shall apply to the relevant government authority, and complete, all necessary legal procedures for transfer of the Sale Interests to the Purchasers and its registration.

Upon Completion, the Group will be interested in 55% equity interests in the Target Group (18% equity interests to be directly held by the Company and 37% equity interests to be indirectly hold by the Company through Shanghai Yongsheng) and the Target Group will become non-wholly-owned subsidiaries of the Company. The financial results of the Target Group will be consolidated into the Group's financial statements.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchasers and the Vendors with reference to, among other things, (i) the profit guarantee set out in the section headed "Profit guarantee" below; (ii) the future business prospects of the Target Group and the industry in which the Target Group is engaging; and (iii) other reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below. The consideration for the Acquisition will be financed by the Group's internal resources.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

2nd Instalment

After Completion, RMB242 million (equivalent to approximately HK\$275.88 million) shall be payable by the Purchasers to the Vendors upon all the following conditions precedent set out in the Acquisition Agreement having been complied with:

- (1) the Vendors, the Warrantors and the Target Company having completed all necessary legal procedures required for the change of board composition and constitutional documents of the Target Company;
- (2) the Vendors and the Warrantors having delivered to the Purchasers all the relevant certificates, chops and keys in relation to the Target Company;
- (3) the Vendors and the Warrantors having delivered to the Purchasers all the legal documents in relation to the business operations of the Target Company;

- (4) all warranties and undertakings given by the Vendors and the Warrantors having been complied with;
- (5) the Vendors and the Warrantors having provided relevant information to the Purchasers to conduct field audit on the financial information of the Target Company as at the month immediately preceding to Completion; and
- (6) the Vendors and the Warrantors shall ensure that the audited net assets value and cash and cash equivalents of the Target Company as at the month immediately preceding to Completion shall not be less than RMB5 million and RMB156.3 million respectively and the deficiency of which shall be paid by the Vendors and the Warrantors to the Target Company in cash.

PROFIT GUARANTEE

Pursuant to the Acquisition Agreement, the Vendors and the Warrantors irrevocably warrant and guarantee, on a joint and several basis, to the Purchasers that the Net Profit for the relevant period below (the “**Relevant Periods**” and each a “**Relevant Period**”) will not be less than the following amounts (“**Guaranteed Profit**”):

Relevant Period	Guaranteed Profit
For the year ending 31 December 2019	RMB60,000,000
For the year ending 31 December 2020	RMB70,000,000
For the year ending 31 December 2021	RMB73,000,000
For the year ending 31 December 2022	RMB76,000,000

If the Net Profit for a Relevant Period is less than the Guaranteed Profit for the Relevant Period, then the Vendors shall compensate to the Purchasers an amount calculated as follows:

$$A = ((\text{Guaranteed Profit} - \text{Net Profit}) / \text{Guaranteed Profit}) \times \text{RMB462 million} \times (1/4) \times 2$$

Should the Target Group record an actual consolidated loss for any of the Relevant Periods, “A” = (RMB462 million + (actual consolidated loss for any of the Relevant Periods x 55%)) x (1/4) x 2

In such event, the Vendors and the Warrantors shall compensate to the Purchasers a sum equivalent to “A” pro-rata to their respective Sales Interests within 15 Working Days after the issue of the consolidated audited accounts of the Target Group for that Relevant Period.

The Purchasers shall nominate auditors to complete the consolidated audited accounts of the Target Group for each Relevant Period within 4 months after the end of the Relevant Period.

INDEMNITY

Pursuant to the Deed of Indemnity, each of the Vendors and the Warrantors has agreed to indemnify the Purchasers for losses, suffered by the Purchasers due to, among others, (i) claims and proceedings arising from any causes or facts existing prior to Completion; (ii) any breaches or non-compliance of the relevant laws and regulations of the PRC or contracts by members of the Target Group (including the branch companies) prior to Completion; (iii) the renewal of service contracts entered into by members of the Target Group (including the branch companies) prior to Completion.

The Deed of Indemnity shall become effective upon Completion.

POST-COMPLETION MANAGEMENT OF THE TARGET COMPANY

After Completion, the board of directors of the Target Company shall comprise five directors, and they shall be nominated by shareholders of the Target Company and be elected at the shareholders’ meeting. The Purchasers are entitled to nominate three directors and the remaining shareholders of the Target Company are entitled to nominate the remaining two directors. The chairman and the legal representative of the Target Company shall be elected from the directors nominated by the Purchasers.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has three business lines, namely (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services, which form an integrated service offering to its customers and cover the entire value chain of property management.

Increasing the Group's market share and geographical presence in the PRC

The Board believes that the Acquisition can further expand the geographic scope of the Group's business operations, increase its market share and enhance its competitiveness in regional markets. The projects of the Target Group are mainly located in first-tier and second-tier cities in the PRC such as Qingdao, Nanjing, Shanghai, Shenyang, Weifang, Nanchang and Suzhou, which are the key development areas of the Group's business. The Acquisition will facilitate the in-depth regional development in these cities.

Strengthening brand awareness and competitiveness in regional markets

The Acquisition is expected to enhance the brand awareness of the Group. All of the Target Group's projects are property management projects of high-end properties with excellent management quality. The Target Group's property management portfolio mainly consists of commercial and office buildings and the Acquisition will allow the Group to diversify its business scope and accumulate experiences in managing commercial properties. Moreover, through providing high-end property management service, the Group's reputation in the regional markets and competitiveness in the commercial property management market will be further enhanced.

Enhancing the overall revenue, profit and the profit margin

According to the unaudited management accounts of the Target Group, for the year ended 31 December 2018, its operating income amounted to approximately RMB199.5 million and its net profit was approximately RMB33.4 million with a net profit margin of approximately 16.7%. As of the end of 2018, the Target Group's GFA under management was over 1.4 million square meters. Since the beginning of 2019, it has brought in three new management projects, adding an additional 450,000 square meters to its management portfolio. The revenue of the Target Group is expected to continue to grow steadily. Therefore, the Acquisition will allow the Group to enhance the revenue and profit and increase its overall profitability.

Optimizing the business structure and expanding the service scope

Currently, most of the revenue of Target Group is derived from commercial property management projects. The Acquisition is expected to optimize the business structure of the Group and extend the value-added services for commercial properties. It will enhance the Group's capability to further explore the property management service in commercial market.

Enhancing management and operational efficiency

The Target Group is well-established in the property management business focusing on commercial and office properties with high management efficiency and remarkable operating output. The Acquisition will allow the Group to strengthen the management capabilities for commercial property projects, gain experiences from effective management by the Target Group and further improve the Group's operational efficiency.

Creating values for Shareholders

The Acquisition is expected to optimize the Group's business structure, market share, property portfolio and influence in the commercial property management market and the overall quality of its services. The Acquisition will produce synergy effect especially in increasing the corporate competitiveness in regions like Nanjing and Shanghai. It will allow the Group to create greater benefits, value and rewards for its Shareholders.

Having considered the nature of and the benefits resulting from the Acquisition, the Directors believe that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is a property management service provider in the PRC and its business covers a wide spectrum of properties, including residential properties and non-residential properties such as office buildings, shopping malls, schools and government buildings, and provides customers with access to quality tailored services.

INFORMATION OF THE VENDORS AND THE WARRANTORS

Vendor I is established in the PRC with limited liability and is principally engaged in the business of department store operations.

Vendor II is established in the PRC with limited liability and is principally engaged in the business of property development.

Vendor III is established in the PRC with limited liability and is principally engaged in the business of property development.

Vendor IV is established in the PRC with limited liability and is principally engaged in the business of department store operations and management.

Vendor V is established in the PRC with limited liability and is principally engaged in the business of hotel operations.

Vendor VI is established in the PRC with limited liability and is principally engaged in the business of property development.

Vendor VII is established in the PRC with limited liability and is principally engaged in the business of hotel operations.

Vendor VIII is established in the PRC with limited liability and is principally engaged in the business of retail.

Warrantor I is established in the PRC with limited liability and is principally engaged in the business of property development.

Warrantor II is established in the PRC with limited liability and is principally engaged in the business of investment holding.

Warrantor III is established in the PRC with limited liability and is principally engaged in the business of property development.

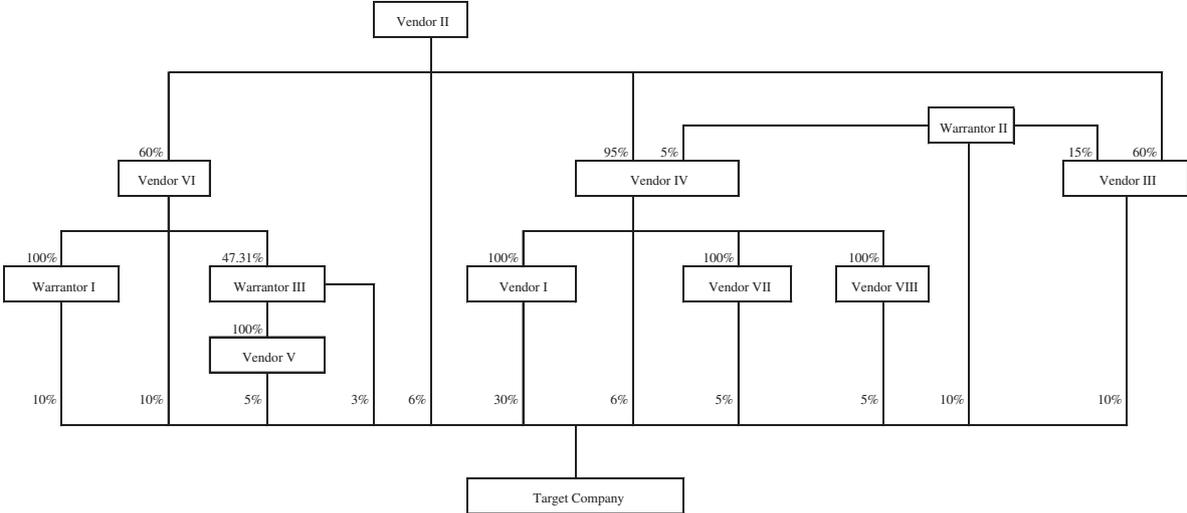
INFORMATION OF THE TARGET GROUP

The Target Company is a company established in the PRC with limited liability and is principally engaged in, inter alia, public car park operation, property management and rental services.

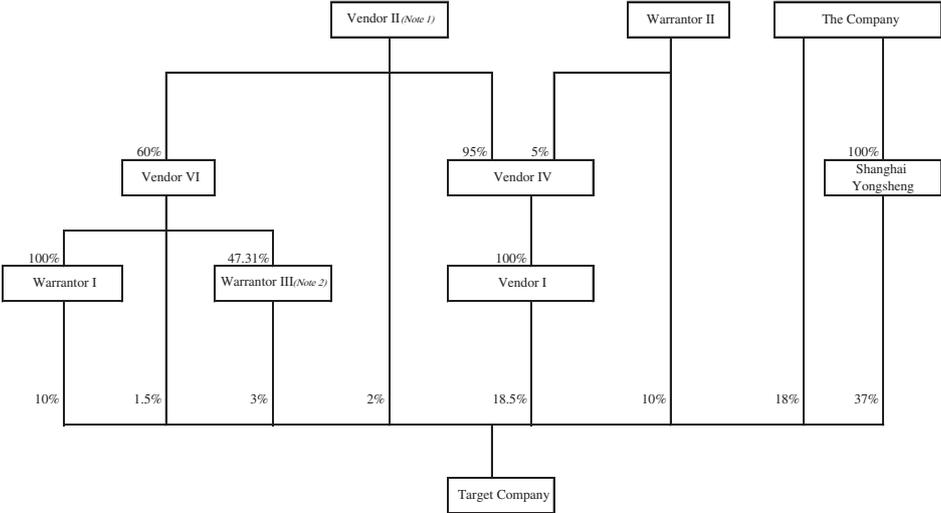
Suzhou Yayuan is a company established in the PRC with limited liability and is principally engaged in the provision of property management services. Suzhou Yayuan is a direct wholly-owned subsidiary of the Target Company.

As at the date of this announcement, apart from Suzhou Yayuan, the Target Company has 7 branches in the PRC to manage and operate property management projects in Qingdao, Shenyang, Nanjing, Suzhou, Shanghai, Weifang and Nanchang, the PRC.

Shareholding structure chart of the Target Company prior to Completion



Shareholding structure chart of the Target Company upon Completion



Note 1: Vendor II holds 60% equity interests in Vendor VI (which in turn holds the entire equity interests in Warrantor I) and 95% equity interests in Vendor IV (which in turn holds the entire equity interests in Vendor I) respectively. Upon Completion, Vendor I, Vendor II, Vendor VI and Warrantor I will collectively hold 32% equity interests in the Target Company. As Vendor I, Vendor IV, Vendor VI and Warrantor I are associates of Vendor II, Vendor II will be connected person of the Company upon Completion and the Framework Agreement to be entered into, amongst others, by Vendor II will constitute continuing connected transactions of the Company.

Note 2: Warrantor III was held as to 47.31% by Vendor VI and the remaining equity interests were held by the ultimately beneficial owner of Vendor II. Thus, Warrantor III is an associate of Vendor II and connected person of the Company upon Completion. The Framework Agreement to be entered into, amongst others, by Warrantor III will constitute continuing connected transactions of the Company.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the consolidated unaudited financial information of the Target Group for the financial years ended 31 December 2017 and 2018 respectively:

	For the financial year ended 31 December	
	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	168,497	199,524
Net profit before taxation	33,875	44,797
Net profit after taxation	26,087	33,397

Based on the consolidated unaudited financial information of the Target Group, the total assets value and net assets value of the Target Group were approximately RMB352,660,000 and RMB94,122,000 respectively as at 31 December 2018.

POTENTIAL CONTINUING CONNECTED TRANSACTION

The Target Group has been providing certain property management services to Vendor II, Warrantor III, Jiazhao and their respective associates which will continue after Completion. Upon Completion, since (i) each member of the Target Group will become a subsidiary of the Company; and (ii) Vendor II, Warrantor III and Jiazhao will become connected persons of the Group at subsidiary level pursuant to Chapter 14A of the Listing Rules, the aforesaid transactions will constitute continuing connected transactions within the meaning of the Listing Rules. It is expected that the Target Company will enter into the Framework Agreement with Vendor II, Warrantor III and Jiazhao on or around Completion pursuant to which the Target Group shall agree to provide to each of them and their respective associates property management services. The Company will comply in full with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules upon entering the Framework Agreement.

CHANGE IN USE OF NET PROCEEDS

Reference is made to the prospectus of the Company dated 4 December 2018 (the “**Prospectus**”), the annual report for the year ended 31 December 2018 dated 23 April 2019 and the announcement of the Company dated 7 January 2019 in relation to, amongst others, the use of the Net Proceeds and the partial exercise of an over-allotment option.

The Share were listed on the Main Board of the Stock Exchange on 17 December 2018 and the amount of the Net Proceeds were approximately HK\$683 million, and the Board resolved to change the proposed use of the Net Proceeds. Details of the original allocation of the Net Proceeds, the revised allocation of the Net Proceeds as at the date of this announcement are set out as follows:

	Planned use of Net Proceeds as stated in the Prospectus and taking into account of the partial exercise of over-allotment option as stated in the announcement of the Company dated 7 January 2019	Revised allocation
	<i>HK\$ million</i>	<i>HK\$ million</i>
To pursue strategic acquisition and investment opportunities		
- to acquire or invest in quality property management service providers that operate on a regional scale (“ Segment 1 ”)	187.8	375.6
- to acquire property management service providers that provide community products and services complementary to our own (“ Segment 2 ”)	112.7	—
- to invest in property management industry funds jointly with business partners (“ Segment 3 ”)	75.1	—
To leverage the most updated internet and information technologies and build a smart community	177.6	177.6
To develop a one-stop service community platform and our “Joy Life” (悦生活) online service platform	61.5	61.5
For general corporate purposes and working capital	68.3	68.3
	<u>683</u>	<u>683</u>

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The total balance of the unutilized Net Proceeds for pursuing strategic acquisition and investment opportunities was approximately HK\$375.6 million as at the date of this announcement, out of which approximately HK\$187.8 million, approximately HK\$112.7 million and HK\$75.1 million were intended to be used for Segment 1, Segment 2 and Segment 3 respectively. The Group intends to use the unutilised Net Proceeds originally allocated for Segment 2 and Segment 3 (i.e. approximately HK\$187.8 million) in Segment 1 and the revised allocation of the Net Proceeds for Segment 1 will be used to fund the Acquisition.

As discussed under the section headed “Reasons for and benefits of the Acquisition” above, the Board believes that the Acquisition will enable the Group to further expand its business scale and market coverage and enhance its market influence and competitiveness in commercial property management market by diversifying the property management project portfolio, both of which meet the strategic development requirement of the Group.

Having considered the above, the Directors are of the view that the unutilised Net Proceeds originally allocated for Segment 2 and Segment 3 can now be better utilized for generating profit for the Group by being re-allocated to fund the Acquisition.

The Board is of the view that the revised allocation of the Net Proceeds is in line with the business strategy of the Group and will not materially affect the operation and business of the Group and is in the best interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement and the transactions contemplated thereunder are more than 25% but less than 100%, the transactions contemplated under the Acquisition Agreement constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement requirements and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be held and convened to consider and, if thought fit, approve the ordinary resolutions in relation to, among other things, the Acquisition Agreement and the transactions contemplated thereunder by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules.

The voting in relation to the Acquisition Agreement and the transactions contemplated thereunder at the EGM will be conducted by way of poll at the EGM. Any Shareholders who are involved in or interested in the Acquisition Agreement and the transactions contemplated thereunder are required to abstain from voting on the relevant ordinary resolution(s) approving the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, no Shareholders will be required to abstain from voting at the EGM to be convened for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the transactions contemplated thereunder.

DESPATCH OF CIRCULAR

A circular containing, among other information, (i) details of the Acquisition Agreement, and (ii) a notice of the EGM; and (iii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 15 August 2019 as additional time is required to prepare and finalize the circular.

Completion of the Acquisition is conditional upon fulfilment of the conditions precedent set out in the Acquisition Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of Sale Interests as contemplated under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement entered into between the Purchasers, the Vendors and the Warrantors on 18 June 2019 in relation to the sale and purchase of the 55% equity interests in the Target Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement and upon issuance of the new business registration certificate of the Target Company
“Company”	Ever Sunshine Lifestyle Services Group Limited, 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: 1995)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration for the Sale Interests, being RMB462 million
“Corporate Guarantee”	the corporate guarantee executed by the branch company of the Target Company in favour of a bank in the PRC in respect of Warrantor I’s obligations under the Loan Agreement
“Deed of Indemnity”	the deed of indemnity dated 18 June 2019 executed by the Vendors and the Warrantors in favour of the Purchasers, pursuant to which the Vendors and the Warrantors agreed to indemnify the Purchasers from and against certain matters as more particularized in this announcement

“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the transactions contemplated thereunder
“Framework Agreement”	the framework agreement to be entered into between the Target Company, Vendor II, Warrantor III and Jiazhao in relation to the provision of property management services by the Target Company to Vendor II, Warrantor III, Jiazhao and their respective associates on or around the Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
“Jiazhao”	上海新地嘉兆物聯網有限公司 (Shanghai Sunny World Jiazhao Internet of Things Company Limited*), a company established in the PRC with limited liability and an associate of the ultimate beneficial owner of Vendor II
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into between Warrantor I as borrower and a bank in the PRC as lender for a loan facility up to RMB1,390 million
“Mortgage”	the mortgage to be executed by Vendor II in favour of Shanghai Yongsheng over certain properties in the PRC owned by Vendor II to secure the obligations owed by the Vendors to the Purchasers under the Acquisition Agreement

“Net Proceeds”	net proceeds of approximately HK\$683 million raised by the Company from the listing of the Shares on the Main Board of the Stock Exchange and the partial exercise of an over-allotment option as detailed in the announcement of the Company dated 7 January 2019
“Net Profit”	in respect of a Relevant Period, the consolidated net profit after taxation and excluding extraordinary items of the Target Group as to be shown in the audited consolidated accounts of the Target Group for such Relevant Period
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Purchasers”	the Company and Shanghai Yongsheng
“Regulatory Agreement”	the regulatory agreement executed by the branch company of the Target Company and Warrantor I in favour of a bank in the PRC in respect of Warrantor I’s obligations under the Loan Agreement
“Sale Interests”	55% of the equity interests of the Target Company held by the Vendors
“Shanghai Yongsheng”	上海永升物業管理有限公司 (Shanghai Yongsheng Property Management Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Share Charge”	the share charge to be executed by the Vendors and the Warrantors in favour of Shanghai Yongsheng over the entire equity interests of the Target Company to secure the obligations owed by the Vendors to the Purchasers under the Acquisition Agreement
“Shareholder(s)”	holder(s) of the Share(s)

“Shenyang WTC”	世貿廣場(瀋陽)置業有限公司 (World Trade Centre (Shenyang) Real Estate Company Limited*), a company established in the PRC with limited liability and is wholly-owned by Vendor II and its associates
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Suzhou Yayuan”	蘇州雅園物業管理有限公司 (Suzhou Yayuan Property Management Company Limited*), a company established in the PRC with limited liability and is wholly-owned by the Target Company
“Target Company”	青島雅園物業管理有限公司 (Qingdao Yayuan Property Management Company Limited*), a company established in PRC with limited liability and is wholly-owned by the Vendors and the Warrantors prior to Completion
“Target Group”	Target Company and Suzhou Yayuan
“Vendor I”	瀋陽新地陽光百貨有限公司 (Shenyang Sunny World Department Store Company Limited*), a company established in the PRC with limited liability
“Vendor II”	新世界(青島)置地有限公司 (New World (Qingdao) Real Estate Company Limited*), a company established in the PRC with limited liability
“Vendor II’s Share Charge”	the share charge to be executed by Vendor II and its associates in favour of Shanghai Yongsheng over the entire equity interests of Shenyang WTC to secure the obligations owed by the Vendors to the Purchasers under the Acquisition Agreement
“Vendor III”	青島陽光新地置業有限公司 (Qingdao Sunny World Real Estate Company Limited*), a company established in the PRC with limited liability

“Vendor IV”	陽光百貨股份有限公司 (Sunny World Department Store Company Limited*), a company established in the PRC with limited liability
“Vendor V”	江西新地酒店有限公司 (Jiangxi Sunny World Hotel Company Limited*), a company established in the PRC with limited liability
“Vendor VI”	蘇州陽光新地置業有限公司 (Suzhou Sunny World Real Estate Company Limited*), a company established in the PRC with limited liability
“Vendor VII”	蘇州新住大酒店有限公司 (Suzhou Xinzhu Hotel Company Limited*), a company established in the PRC with limited liability
“Vendor VIII”	蘇州新地陽光百貨有限公司 (Suzhou Sunny World Department Store Company Limited*), a company established in the PRC with limited liability
“Vendors”	Vendor I, Vendor II, Vendor III, Vendor IV, Vendor V, Vendor VI, Vendor VII and Vendor VIII
“Warrantor I”	南京陽光新地置業有限公司 (Nanjing Sunny World Real Estate Company Limited*), a company established in the PRC with limited liability
“Warrantor II”	青島新地集團有限公司 (Qingdao Sunny World Group Company Limited*), a company established in the PRC with limited liability
“Warrantor III”	南昌陽光新地置業有限公司 (Nanchang Sunny World Real Estate Company Limited*), a company established in the PRC with limited liability
“Warrantors”	Warrantor I, Warrantor II and Warrantor III
“Working Day(s)”	any day which banks in the PRC are open for business, except Saturdays, Sundays and statutory holidays as announced by the PRC government
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

Unless otherwise specified in this announcement, translation of RMB into HK\$ is made in this announcement, for illustration purpose only, at the rate of RMB1 to HK\$1.14. No representation is made that any amount in RMB could have been or could be converted at such rate or any other rates.

By order of the Board
Ever Sunshine Lifestyle Services Group Limited
Lin Zhong
Chairman

Hong Kong, 18 June 2019

As at the date of this announcement, the executive Directors are Mr. LIN Zhong and Mr. ZHOU Hongbin, the non-executive Directors are Mr. LIN Feng and Mr. GE Ming; and the independent non-executive Directors are Mr. MA Yongyi, Mr. WANG Peng and Mr. CHEUNG Wai Chung.

** For translation and identification purposes only*