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## **Redsun Services Group Limited**

### **弘陽服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1971)**

#### **FURTHER INFORMATION ON DISCLOSEABLE TRANSACTION ACQUISITION OF 80% OF EQUITY INTEREST IN THE TARGET COMPANIES**

Reference is made to the announcement of Redsun Services Group Limited (the “**Company**”) dated 20 April 2021 in relation to the acquisition of 80% of the equity interest in the Target Companies (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement. The Company would like to provide further information in relation to the Acquisition:

As disclosed in the Announcement, in the event the Target Companies fail to achieve the Guaranteed Operating Revenue and/or the Guaranteed Net Profit for any financial year during the Performance Guarantee Period, Gaoli Holdings shall compensate to the Company in cash each year in accordance with the followings:

- (i) If the Target Companies fail to achieve either the Guaranteed Operating Revenue or the Guaranteed Net Profit for any financial year during the Performance Guarantee Period, Gaoli Holdings shall compensate to the Company in cash each year for the value of “A” (if fail to achieve Guaranteed Operating Revenue) or “B” (if fail to achieve Guaranteed Net Profit):

A = the Operating Revenue Shortfall x 20.8% x 12 x 80%;

B = the Net Profit Shortfall x 12 x 80%; or

- (ii) If the Target Companies fail to achieve both the Guaranteed Operating Revenue and the Guaranteed Net Profit for any financial year during the Performance Guarantee Period, Gaoli Holdings shall compensate to the Company in cash each year for the sum of the value of (a) the higher of “A” and “B”; and (b) the Operating Revenue Shortfall (if the value of “B” is higher) or Net Profit Shortfall (if the value of “A” is higher).

Regarding the above compensation formulae, “20.8%” represents the guaranteed net profit rate for the Guarantee Period, being the percentage calculated by dividing the Guaranteed Net Profit by the Guaranteed Operating Revenue for each financial year during the Guarantee Period; “12” represents the static price to earnings ratio calculated with reference to the net profit of the Target Companies for the year ended 31 December 2020; and “80%” represents the percentage of the equity interests in the Target Companies acquired by the Company.

The compensation derived by the above formulae is determined after arm’s length negotiations between Hong Life Property Management and Gaoli Holdings with reference to recent market mergers and acquisitions of similar nature. In this regard, the Board is of the view that such compensation is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes.

By Order of the Board  
**Redsun Services Group Limited**  
**He Jie**  
*Chairman*

Hong Kong, 22 April 2021

*As at the date of this announcement, the non-executive Directors are Mr. He Jie and Mr. Luo Yanbing; the executive Directors are Mr. Yang Guang and Ms. Zeng Zixi; and the independent non-executive Directors are Mr. Jing Zhishan, Ms. Wang Fen and Mr. Yim Kai Pung.*