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If you have sold or transferred all your shares in Binjiang Service Group Co. Ltd., you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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BINJIANG SERVICE

Binjiang Service Group Co. Ltd.

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(Incorporated in the Cayman Islands with limited liability)

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

“2024 Master Pre-delivery Management Services Agreement” the master pre-delivery management services agreement entered into between the Company and Binjiang Real Estate dated November 28, 2023

“associate(s)” has the meaning ascribed to it under the Listing Rules

“Binjiang Holdings” Hangzhou Binjiang Investment Holdings Co., Ltd. (杭州滨江投资控股有限公司), a limited liability company established in the PRC on October 8, 2006. It is owned as to 64% by Mr. Qi Jinxing, 18% by Mr. Mo Jianhua and 18% by Mr. Zhu Huiming. Given Binjiang Holdings is controlled by Mr. Qi Jinxing, one of the controlling Shareholders, Binjiang Holdings is therefore a connected person of the Company

“Binjiang Real Estate” Hangzhou Binjiang Real Estate Group Co., Ltd. (杭州滨江房地产集团有限公司), a limited liability company

DEFINITIONS

“Company”	Binjiang Service Group Co. Ltd. (ǎ ê « ǁ " ® !), a company incorporated in the Cayman Islands with limited liability on July 6, 2017, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3316)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the forthcoming extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve the Non-exempt CCT Agreement and the transactions respectively contemplated thereunder
“Existing Master Pre-delivery Management Services Agreement”	the master pre-delivery management services agreement entered into between the Company and Binjiang Real Estate dated November 3, 2022
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the transactions under the Non-exempt CCT Agreement
“Independent Shareholders”	Shareholders who do not have a material interest in the Non-exempt CCT Agreement

DEFINITIONS

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Latest Practicable Date”	December 20, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code of Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Mo Jianhua”	Mr. Mo Jianhua (莫健华), a non-executive Director and one of the substantial Shareholders
“Mr. Qi Jiaqi”	Mr. Qi Jiaqi (齐家奇), a non-executive Director and the son of Mr. Qi Jinxing
“Mr. Qi Jinxing”	Mr. Qi Jinxing (齐兴), one of the controlling Shareholders
“Mr. Zhu Huiming”	Mr. Zhu Huiming (朱惠民), one of the substantial Shareholders
“Non-exempt CCT Agreement”	being 2024 Master Pre-delivery Management Services Agreement

“Optima Capital”

Optima Capital Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being fi-745.4(type)-745.)



BINJIAN

The purpose of this circular is:

- (i) to provide you with further details of the Non-exempt CCT Agreement and the proposed annual cap;
- (ii) to set out the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt CCT Agreement and the proposed annual cap;
- (iii) to set out the recommendation of the Independent Board Committee on the Non-exempt CCT Agreement and the proposed annual cap; and
- (iv) to give you notice of the EGM to consider and, if thought fit, to approve the Non-exempt CCT Agreement and the proposed annual cap.

II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2024 Master Pre-delivery Management Services Agreement

(A) Background

Reference is made to the announcement of the Company dated November 3, 2022, the circular of the Company dated December 8, 2022 and the poll results announcement of the

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- Term:** From the effective date of the agreement which shall be January 1, 2024 or the date on which all necessary consents and approvals (including the Independent Shareholders' approval) are obtained by the parties (whichever is later) and ending on December 31, 2024.
- Subject matter:** The Group will provide pre-delivery management services to Binjiang Real Estate Group. The pre-delivery management services are provided before the properties, which are developed by Binjiang Real Estate Group, are sold and delivered to homeowners. For example, during the sales stage, the Group will provide sales venue management services such as ensuring the sample properties models are suitable for displaying. Prior to the delivery of the sold properties to the homeowners, the Group will provide cleaning and other services to ensure that the properties meet certain quality standards before delivery. The Group's services help to minimize post-delivery issues, enhance customers satisfaction and maintain the brand reputation of Binjiang Real Estate Group. In contrast, the property management services under the 2024 Master Property Management Services Agreement are for the unsold residential and non-residential property units after the delivery of the properties developed such as services for maintenance of the common areas (e.g. clubhouse and swimming pool) and security services.
- Pricing and other terms:** The management fees to be charged by the Group under the 2024 Master Pre-delivery Management Services Agreement will be determined on arm's length basis, with reference to (i) the GFA, location and positioning of the properties to be sold; (ii) budgeted operational costs (including but not limited to labor costs, materials costs and management costs) to be incurred by the Group for providing such services; and (iii) scope and quality of the services proposed. The fees payable by Binjiang Real Estate Group to the Group and the relevant conditions shall be no less favourable to the Group than those offered by any Independent Third Party. The Group conducts review of its reference price list and product and service standards annually and the Group made reference to the price and service scope of three Independent Third Parties in its review of the reference price list in 2023.

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The parties will separately enter into pre-delivery management services agreements in respect of each pre-delivery management project subject to the terms of the 2024 Master Pre-delivery Management Services Agreement. As there is no regulatory requirement to conduct public tenders for pre-delivery management services, there was no tender process prior to the entering into of the pre-delivery management services agreements with Binjiang Real Estate Group.

(C) Historical amounts

For the two years ended December 31, 2021 and 2022 and the ten months ended October 31, 2023, the management fees paid to the Group for the pre-delivery management services amounted to approximately RMB242.0 million, RMB265.9 million and RMB223.5 million, respectively. The historical caps for the two years ended December 31, 2021 and 2022 and the year ending December 31, 2023 are RMB270.0 million, RMB350.0 million and RMB380.0 million with utilisation rates being 89.6%, 76.0% and 58.8%, respectively.

(D) Annual cap and basis of determination

It is proposed that the annual cap for the transactions contemplated under the 2024 Master Pre-delivery Management Services Agreement for the year ending December 31, 2024 will not exceed RMB340.0 million.

The above annual cap is determined with reference to the historical transaction amounts, the existing projects and the new projects to be engaged. First, with respect to the historical transactions, it is noted that the utilisation rate for the year ending 31 December 2023 is lower as compared to that for the two years ended 31 December 2022. The lower utilisation rate is mainly due to the general weak real estate market in the PRC, which had caused pressure to both upstream and downstream real-estate related businesses, including property management sector. Affected by the overall downturn of the real estate development industry, the Group adjusted the fees for its pre-delivery management services. Taking that into account, the Group has set a lower annual cap for the year ending 31 December 2024. Second, with respect to existing projects, the Group has been engaged by Binjiang Real Estate Group as service provider on 44 existing pre-delivery projects which will continue in 2024. Third, with respect to new projects, based on the land acquisitions of Binjiang Real Estate Group from publicly available sources (such as public announcements made by Binjiang Real Estate) and enquiries with Binjiang Real Estate Group as to its development plans of these land acquisitions, the Group has estimated the number of pre-delivery projects which will be won by the Group and the fees and costs for those projects in determining the proposed annual cap for the year ending 31 December 2024.

As disclosed in the 2022 annual report and the 2023 interim report of Binjiang Real Estate, Binjiang Real Estate Group had developable and saleable gross floor area of approximately 4.7 million square metres (sq.m.) and approximately 2.5 million sq.m. during the year ended December 31, 2022 and the six months ended June 30, 2023 respectively, and had developable gross floor area of approximately 14.5 million sq.m. as at June 30, 2023. Binjiang Real Estate Group acquired 41 parcels of land in 2022 and 22 parcels of land in mid-2023.

(E) Reasons for and benefits of entering into the 2024 Master Pre-delivery Management Services Agreement

The Group has been providing pre-delivery management services to Binjiang Real Estate Group for a number of years. Under the Existing Master Pre-delivery Management Services Agreement, the Group has been providing pre-delivery management services for properties

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- (i) by reference to transacted prices of at least two recent transactions with same or substantially similar services with comparable service scope, service type and transaction volume conducted by the Group with other customers who are Independent Third Parties;
- (ii) if there are not sufficient comparable transactions in (i) above, by reference to prevailing market price of at least two recent transactions in the market with same or substantially similar services with comparable service scope, service type and transaction volume;
- (iii) if there are not sufficient comparable transactions in (ii) above, on normal commercial terms or better to the Group with reference to those offered by at least two Independent Third Parties to Binjiang Real Estate Group in respect of the same or substantially similar services with comparable service scope, service type and transaction volume; and
- (iv) if none of (i), (ii) and (iii) above are applicable, by reference to the average price of similar services previously provided by the Group to at least two Independent Third Parties, and on normal commercial terms or better to the Group.

In order to ascertain the prevailing market price, the sales department of the Group and its designated personnel will, from time to time, make reference to the price quoted by at least two Independent Third Parties for the provision of the same or similar services with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties; or if applicable, the price list of services procured by Binjiang Real Estate Group from Independent Third Parties for the same or similar services with comparable scope or quantities and quality as provided by the Group to Binjiang Real Estate Group. The sales department of the Group will then compare the market price with the fees under individual transactions pursuant to the respective agreement of continuing connected transactions, and make evaluation and assessment to ensure that the price payable by Binjiang Real Estate Group will be on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties.

IV. INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

To ensure that the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures to review and assess whether the individual transactions will be conducted within the framework of the Non-exempt CCT Agreement and in accordance with the aforesaid pricing policy:

- (1) the relevant personnel of the business department and finance department will monitor the transactions on a monthly basis to ensure that the transaction amount does not exceed the annual cap of the Non-exempt CCT Agreement;
- (2) the implementation of individual contracts shall be subject to the appropriate approval of the relevant personnel of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the Non-exempt CCT Agreement, particularly that the service fees and payment terms are no less favorable to the Group than those available from Independent Third Parties;
- (3) the relevant personnel of the business department of the Group will conduct annual reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the Group's pricing policy;
- (4) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the Non-exempt CCT Agreement; and
- (5) the independent non-executive Directors shall review the management's review reports on the transactions contemplated under the Non-exempt CCT Agreement to ensure that such transactions are conducted on normal commercial terms or better and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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V. INFORMATION ON THE PARTIES

The Group

The Company is a limited liability company incorporated in the Cayman Islands. The Group is a reputable property management service provider in China with a focus on high-end properties. As at the Latest Practicable Date, the Group was owned as to approximately (i) 45.85% by Great Dragon Ventures Limited (“Great Dragon”), a company held by Cantrust (Far East) Limited (through its nominee company) as trustee of Bright Cloud Trust which in turn is a discretionary trust set up by Mr. Qi Jinxing as settlor with beneficiaries including Mr. Qi Jinxing, Mr. Qi Jiaqi and certain family members of Mr. Qi Jinxing; (ii) 12.89% by Jovial Success Global Holdings Limited (“Jovial Success”), a company held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of Splendid Force Trust which in turn is a discretionary trust set up by Mr. Zhu Huiming as settlor with beneficiaries including Mr. Zhu Huiming and his certain family members; and (iii) 12.89% by Haoyu Ventures Limited (“Haoyu”), a company held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of Great Splendor Trust which in turn is a discretionary trust set up by Mr. Mo Jianhua as settlor with beneficiaries including Mr. Mo Jianhua and his certain family members.

Binjiang Real Estate

Binjiang Real Estate, a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002244) is mainly engaged in real estate development. As at the Latest Practicable Date, Binjiang Real Estate was owned as to approximately (i) 45.41% by Binjiang Holdings; (ii) 11.94% by Mr. Qi Jinxing; (iii) 3.22% by Mr. Mo Jianhua (a non-executive Director); (iv) 3.22% by Mr. Zhu Huiming; and (v) 1.00% by Mr. Qi Jiaqi (a non-executive Director). The remaining shareholders of Binjiang Real Estate each holds less than 5% interest. Binjiang Holdings, which is controlled by Mr. Qi Jinxing, is owned as to 64% by Mr. Qi Jinxing, 18% by Mr. Mo Jianhua (a non-executive Director) and 18% by Mr. Zhu Huiming.

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VI. RELATIONSHIP BETWEEN THE GROUP AND BINJIANG REAL ESTATE GROUP

The Group believes that the continuing connected transactions between the Group and Binjiang Real Estate Group do not constitute undue reliance on Binjiang Real Estate Group based on the following grounds:

- (i) The majority of the Group's revenue had been generated from Independent Third Parties. The Group's revenue attributable to Binjiang Real Estate Group amounted to approximately RMB304.9 million, RMB344.2 million and RMB176.29 million, representing approximately 21.8%, 17.4% and 14.8% of the Group's total revenue for the two years ended December 31, 2022 and the six months ended June 30, 2023, respectively. There was a downward trend in the proportion of the Group's total revenue attributable to relevant connected transactions.
- (ii) The Group's scale of continuing connected transactions had been reasonable. For the two years ended December 31, 2021 and 2022, the Group's revenue attributable to Binjiang Real Estate Group in pre-delivery management services represented approximately 61.3% and 52.2% of the Group's revenue in pre-delivery management services and approximately 17.3% and 13.4% of the Groups' total revenue, respectively.
- (iii) The Group continues to adhere to its development and expansion strategy and will further increase the proportion of business engagement with Independent Third Parties. The proportion of GFA managed by the Group derived from projects developed by Independent Third Parties increased from approximately 4.8% in 2015 to approximately 55.0% by the end of 2022 and further increased to approximately 56.1% by mid-2023. In the first half of 2023, approximately 62.3% of the newly added GFA under management was derived from projects developed by Independent Third Parties.
- (iv) In view of the sustainable and sound development of Binjiang Real Estate Group, the Group and Binjiang Real Estate Group will maintain long-term and stable cooperative relationships for mutual benefits. Accordingly, the Group does not expect any material adverse change to the well-established relationship between the Group and Binjiang Real Estate Group in the foreseeable future. The daily operation of the Group rests primarily with its Board and the senior management. The Group has also maintained its own financial team and has capability for independently expanding, operating and managing projects sourced from independent third parties. There is no management, financial or operational reliance on Binjiang Real Estate Group.

LETTER FROM THE BOARD

VII. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi Jinxing, one of the controlling Shareholders, and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Non-exempt CCT Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the annual cap contemplated under the Non-exempt CCT Agreement exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

VIII. EGM

A notice of the EGM is set out on page EGM-1 to EGM-2 of this circular. The EGM will be convened and held at the Main Conference Room, Block 6, 36 Qingchun Road East, Shangcheng District, Hangzhou, the PRC on Friday, January 12, 2024 at 2:30 p.m. for the Independent Shareholders to consider, and if thought fit, to approve the Non-exempt CCT Agreement and the transactions respectively contemplated thereunder.

The proxy form for the use at the EGM is also enclosed with this circular.

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, January 10, 2024 to Friday, January 12, 2024, both days inclusive, during which period no transfer of Shares will be registered.

Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to the branch share registrar 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 Tuesday, January 9, 2024, for registration.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, voting on all resolutions set out in the notice of EGM shall be taken by way of poll. Any Shareholders who are involved in or interested in any of the Non-exempt CCT Agreement and the transactions contemplated respectively thereunder are required to abstain from voting on the relevant ordinary resolutions.

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Under Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi Jinxing, one of the controlling shareholders of the Company. As such, Great Dragon which is an associate of Mr. Qi Jinxing and was directly holding 126,720,000 Shares (representing approximately 45.85% of the Company's total issued share capital) as at the Latest Practicable Date, will abstain from voting on the resolution(s) to be passed at the EGM. As at the Latest Practicable Date, Mr. Mo Jianhua and Mr. Zhu Huiming were shareholders of Binjiang Real Estate, and substantial shareholders of the Company. As such, Jovial Success and Haoyu which are associates of Mr. Zhu Huiming and Mr. Mo Jianhua, respectively, and were directly holding 71,280,000 Shares (representing approximately 25.79% of the Company's total issued share capital) as at the Latest Practicable Date, will abstain from voting on the resolution(s) to be passed at the EGM.

As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Great Dragon, Jovial Success and Haoyu (being associates of Mr. Qi Jinxing, Mr. Mo Jianhua and Mr. Zhu Huiming), none of the other Shareholders had a material interest in the Non-exempt CCT Agreement and the transactions contemplated respectively thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

IX. GENERAL

The Board (including the independent non-executive Directors) considers that the entry of the Non-exempt CCT Agreement is in the Group's ordinary course of business, and the terms of the Non-exempt CCT Agreement and the annual cap thereunder are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Mo Jianhua and Mr. Qi Jiaqi, non-executive Directors, are shareholders of Binjiang Real Estate, and have therefore abstained from voting on the Board resolution approving the Non-exempt CCT Agreement. Save as aforementioned, none of the other Directors have a material interest in the transactions contemplated under the Non-exempt CCT Agreement and no other Director has abstained from voting.

X. RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the entry of the Non-exempt CCT Agreement and the transactions contemplated thereunder. Optima Capital has been appointed to

LETTER FROM THE BOARD

advise the Independent Board Committee and the Independent Shareholders in this regard. Having taken into account the terms of the Non-exempt CCT Agreement, the information provided in the Letter from the Board and the Letter from Optima Capital, the Independent Board Committee considers that the entering into of the Non-exempt CCT Agreement is in the ordinary and usual course of business of the Group, and the terms of the Non-exempt CCT Agreement are on normal commercial terms or better, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Non-exempt CCT Agreement and the transactions contemplated thereunder to be proposed at the EGM and the proposed annual cap.

XI. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 17 to 18 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of the Non-exempt CCT Agreement and the proposed annual cap. Your attention is also drawn to the letter of advice from Optima Capital which contains, amongst other matters, its advices to the Independent Board Committee and the Independent Shareholders. The letter from Optima Capital is set out on pages 19 to 30 of this circular.

Your attention is also drawn to the general information set out in the appendix of this circular.

Yours faithfully,
For and on behalf of the Board
BINJIANG SERVICE GROUP CO. LTD.
Yu Zhongxiang
Chairman

The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Non-exempt CCT Agreement and the transactions contemplated thereunder.

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter of advice from Optima Capital, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on whether (i) the terms of the Non-exempt CCT Agreement (including the proposed annual cap) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Having considered, amongst other matters, the factors and reasons considered by, and the opinion of Optima Capital as stated in its letter of advice, we consider the terms of the Non-exempt CCT Agreement (including the proposed annual cap) are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Non-exempt CCT Agreement to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Ding Jiangang

Mr. Li Kunjun

Ms. Cai Haijing

Independent non-executive Directors

LETTER FROM OPTIMA CAPITAL

The following is the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Suite 1501, 15th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

December 22, 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the entering into of the 2024 Master Pre-delivery Management Services Agreement (i.e. the Non-exempt CCT Agreement) between the Company and Binjiang Real Estate. Details of the Non-exempt CCT Agreement are set out in the letter from the Board contained in the circular of the Company dated December 22, 2023 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

Pursuant to the Non-exempt CCT Agreement, the Group will provide pre-delivery management services to members of the Binjiang Real Estate Group at the pre-delivery stage of a sale of property. Binjiang Real Estate was controlled by Mr. Qi Jinxing, one of the controlling Shareholders interested in 126,720,000 Shares (representing approximately 45.85% of the issued share capital of the Company) as at the Latest Practicable Date. Accordingly, Binjiang Real Estate is a connected person of the Company under the Listing Rules, and therefore the transactions contemplated under the Non-exempt CCT Agreement (the "Transactions") constitute continuing connected transactions of the Company and are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

LETTER FROM OPTIMA CAPITAL

The Company will seek the Independent Shareholders' approval of the Non-exempt CCT Agreement at the EGM. As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi Jinxing, one of the controlling Shareholders, and Mr. Mo Jianhua and Mr. Zhu Huiming were shareholders of Binjiang Real Estate and substantial Shareholders. As such, Mr. Qi Jinxing, Mr. Mo Jianhua, Mr. Zhu Huiming and their respective associates (including Great Dragon, Jovial Success and Haoyu) will abstain from voting on the resolution(s) to be passed at the EGM. As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Mr. Qi Jinxing, Mr. Mo Jianhua, Mr. Zhu Huiming and their respective associates, none of the other Shareholders had a material interest in the Non-exempt CCT Agreement and the transactions contemplated thereunder and was required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the entry of the Non-exempt CCT Agreement and the transactions contemplated thereunder. We, Optima Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders on whether (i) the terms of the Non-exempt CCT Agreement (including the proposed annual cap) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to give a recommendation to the Independent Shareholders in respect of the voting on the resolution(s) to be proposed at the EGM to approve the Non-exempt CCT Agreement.

During the two years prior to the Latest Practicable Date, Optima Capital was engaged as an independent financial adviser in relation to (i) the master pre-delivery management services agreement and the master property management services agreement entered into between the Company and Binjiang Real Estate on December 16, 2021, details of which were set out in the Company's circular dated January 28, 2022; and (ii) the Existing Master Pre-delivery Management Services Agreement and the master property management services agreement entered into between the Company and Binjiang Real Estate on November 3, 2022, details of which were set out in the Company's circular dated December 8, 2022. Nevertheless, having considered that (i) the aforesaid past engagements were limited to providing independent financial advisory services to the Company pursuant to the Listing Rules for which Optima Capital received normal professional fees, which would not affect our independence; and (ii) none of the circumstances set out in Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are eligible to give independent financial advice in respect of the Non-exempt CCT Agreement.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company (together, the "Management"), and have assumed that the information and facts provided and opinions

LETTER FROM OPTIMA CAPITAL

expressed to us are true, accurate and complete in all material aspects as at the date hereof and will continue to be so as at the date of the EGM. We have assumed that all the opinions or representations of the Management have been reasonably made after due and careful enquiry. We have also sought and received confirmation from the Management that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Non-exempt CCT Agreement (including the proposed annual cap) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned and the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, we have taken into account the following principal factors and reasons:

1. Principal businesses of the Group and Binjiang Real Estate

The Group is a property management service provider in the PRC with a regional focus on the Yangtze River Delta. The Group has three major business lines, being provision of property management services, value-added services to non-property owners and 5S value-added services. Property management services include security, cleaning, gardening, repair, maintenance and ancillary services. Value-added services to non-property owners, mainly to property developers, include, among others, (i) pre-delivery management services such as cleaning, assisting with quality check and security services for completed properties and show flats and providing property sales venue management services; (ii) consulting services such as advising property developers on project planning, design management and construction management; and (iii) community space services such as assisting advertising companies with regard to advertisement placements in the community spaces and managing community venue in the properties managed by the Group. 5S value-added services mainly include home optimization services such as property agent services, car parking space and storage room services and sales agency services; living optimization services such as customized interior furnishing services; and lifestyle optimization services including home living services.

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Binjiang Real Estate, a company listed on the Shenzhen Stock Exchange (stock code: 002244), is a property developer with a regional focus on the Yangtze River Delta. It was established in 1996 and has since been engaged in real estate development and other related businesses with a primary focus on the construction and development of commercial housing properties in the PRC.

The Group has been providing pre-delivery management services to Binjiang Real Estate for 16 years. Having considered the respective principal activities of the Group and Binjiang Real Estate as described above and the long-term business relationship between the Group and Binjiang Real Estate, we are of the view that the Non-exempt CCT Agreement is entered into in the ordinary and usual course of business of the Group.

2. 2024 Master Pre-delivery Management Services Agreement

Background

On November 3, 2022, the Company and Binjiang Real Estate entered into the Existing Master Pre-delivery Management Services Agreement to regulate the transactions with the Binjiang Real Estate Group in relation to the provision of pre-delivery management services for the year ending December 31, 2023. As the Existing Master Pre-delivery Management Services Agreement will expire on December 31, 2023, and the Group expects to carry on the transactions contemplated thereunder upon its expiry, the Company and Binjiang Real Estate entered into the 2024 Master Pre-delivery Management Services Agreement (i.e. the Non-exempt CCT Agreement) on November 28, 2023 to regulate the transactions in relation to the provision of such services for the year ending December 31, 2024. Save for the periods covered under the respective agreements and the annual caps, the terms of the Non-exempt CCT Agreement are literally identical to those under the Existing Master Pre-delivery Management Services Agreement.

The parties will enter into individual agreement in respect of each pre-delivery management project, subject to the terms of the Non-exempt CCT Agreement.

Scope of services

Pursuant to the Non-exempt CCT Agreement, the Group will provide pre-delivery management services to members of the Binjiang Real Estate Group at the pre-delivery stage of a sale of property. The pre-delivery management services are provided before the properties developed by Binjiang Real Estate Group are sold and delivered to homeowners. For example, during the sales stage, the Group will provide sales venue management services such as ensuring that the sample display properties are suitable for viewing. Prior to delivery of the sold properties to the homeowners, the Group will provide cleaning and other services to ensure that the

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properties meet certain quality standards before delivery. The Group's services help to minimize post-delivery issues, enhance customers satisfaction and maintains the brand reputation of Binjiang Real Estate Group. The exact scope of services to be provided to each individual project depends on a number of factors including but not limited to the GFA, location and positioning of the properties involved.

Pricing and other terms

We note that the Group has adopted the following general principles for the pricing of continuing connected transactions to be conducted by the Group (General Pricing Policy"), including but not limited to the transactions contemplated under the Non-exempt CCT Agreement. In general, prices of continuing connected transactions shall be determined:

- (a) by reference to transacted prices of at least two recent transactions with same or substantially similar services or products with comparable service scope, service type and transaction volume conducted by the Group with other customers/suppliers who are Independent Third Parties;
- (b) if there are not sufficient comparable transactions in (a) above, by reference to prevailing market price of at least two recent transactions in the market with same or substantially similar services with comparable service scope, service type and transaction volume;
- (c) if there are not sufficient comparable transactions in (b) above, on normal commercial terms or better to the Group with reference to those offered to/by at least two Independent Third Parties by/to the Binjiang Real Estate Group in respect of the same or substantially similar services or products with comparable service scope, service type and transaction volume; and
- (d) if none of (a), (b) and (c) above are applicable, by reference to the average price of similar services previously supplied to/by the Group by/to at least two Independent Third Parties, and on normal commercial terms or better to the Group.

We consider the General Pricing Policy will ensure the prices offered to connected persons are comparable to those offered to Independent Third Parties or the prevailing market prices for similar services and is therefore appropriate.

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For the purpose of determining the prices of its pre-delivery management services, the Group has drawn up a specific pricing guideline (the “Guideline”). We have reviewed the Guideline and noted that it has set out a scale of service fees (the “Scale”) to be charged by the Group for each class of pre-delivery management services project which is determined based on:

- (i) the GFA, location and positioning of the properties involved;
- (ii) the budgeted operational costs (including but not limited to labour costs, materials costs and management costs) to be incurred by the Group for providing such services; and
- (iii) the scope and quality of the services proposed.

As the Guideline is applicable to all customers (including the Binjiang Real Estate Group and Independent Third Parties), we consider it to be in line with the general principles of the General Pricing Policy and is therefore appropriate.

In order to ensure the abovementioned General Pricing Policy and Guideline are in place, we have selected on a random basis and reviewed (a) three existing pre-delivery management service projects entered into by the Group with the Binjiang Real Estate Group which will continue to generate revenue in the year ending December 31, 2024 (the “CCT Samples”); and (b) three existing pre-delivery projects entered into with Independent Third Parties (the “I3P Samples”) which will continue to generate revenue for the year ending December 31, 2024 for which the Group provided similar services. We consider the sample size is sufficient and representative for the above purpose. Based on the review, we noted that the service fees charged by the Group in the CCT Samples are (i) consistent with the Fee Scale set out in the Guideline, and (ii) not less favourable than the service fees charged in the I3P Samples.

As advised by the Management, the sales department of the Group shall review and update the Guideline and product and service standards annually when appropriate with reference to prevailing market price for the same or substantially similar services with comparable scope and quality. As there is no regulatory requirement to conduct public tenders for pre-delivery management services, there was no tender process prior to the entering into of pre-delivery management services agreements with both Binjiang Real Estate and Independent Third Parties. Instead, the sales department provides fee quotations to all customers for a particular property project based on the most updated Guideline at the relevant time.

Having taken into account (i) the above procedures adopted by the Group to determine the service fees; (ii) the General Pricing Policy and the Guideline which are applicable to all the pre-delivery management services provided to the Binjiang Real Estate Group and Independent Third Parties; (iii) the internal control mechanisms in place as set out in the section headed “

Internal controls below; and (iv) the sample documents reviewed by us set out above, we are of the view that the basis upon which the pricing and other terms of the Non-exempt CCT Agreement are determined are fair and reasonable so far as the Independent Shareholders are concerned, no less favourable to the Group than the terms available from Independent Third Parties and are in the interests of the Company and the Shareholders as a whole.

The existing annual cap and the 2024 Pre-delivery Annual Cap

The table below sets out the existing annual cap for the year ending December 31, 2023

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of approximately 0.9% as compared to the previous year. The Management noted that based on the FY2023 Estimated Amount, the utilisation rate of the historical annual cap for the year ending December 31, 2023 would be approximately 70.6%, which is lower than the existing annual cap. As advised by the Management, this was mainly attributable to the generally weak real estate market in the PRC, which had caused pressure to both upstream and downstream real-estate related businesses, including property management sector. In this light, the Group adjusted the fees for its pre-delivery management services, which resulted in a lower fee charged for the Group's pre-delivery management services than expected for 2023.

Although there has been noticeable fluctuations in the Chinese real estate industry, the Management expects that the demand for the Group's pre-delivery management services from the Binjiang Real Estate Group will remain stable based on, among other things, (i) the property projects of the Binjiang Real Estate Group in progress which are expected to require pre-delivery management services from the Group during the year ending December 31, 2024; and (ii) the Group's ability to secure pre-delivery management services projects of the Binjiang Real Estate Group given the long-term business relationship between the Group and Binjiang Real Estate.

The 2024 Pre-delivery Annual Cap is set at RMB340.0 million, representing an approximately 10.5% decrease as compared to that for the year ending December 31, 2023. Based on our discussions with the Management, we understand that the 2024 Pre-delivery Annual Cap is determined with reference to historical transaction amounts under the Existing Master Pre-delivery Management Services Agreement, and the estimated amount of fees to be recognised by the Group during the year ending December 31, 2024 based on signed and potential pre-delivery management projects with the Binjiang Real Estate Group.

We have reviewed the fee schedule prepared by the Company for the purpose of setting the 2024 Pre-delivery Annual Cap and noted that it comprises (i) the estimated total amount of pre-delivery management fees to be recognised by the Group during the year ending December 31, 2024 based on signed contracts in relation to 44 existing projects (including the three CCT Samples that we have reviewed) that the Group has already been engaged by the Binjiang Real Estate Group as pre-delivery management service provider; and (ii) the estimated fees to be recognised by the Group during the year ending December 31, 2024 in relation to the potential projects that the Group expects to be engaged as pre-delivery management service provider.

As disclosed in the 2022 annual report and the 2023 interim report of Binjiang Real Estate, the Binjiang Real Estate Group had acquired land bank with total developable and saleable gross floor area of approximately 4.7 million square metres ("m.") and approximately 2.5 million sq. m. during the year ended December 31, 2022 and the six months ended June 30, 2023 respectively, and had land bank with developable gross floor of approximately 14.5 million sq. m. as at June 30, 2023. As advised by the Management, the potential projects are projected based on land

acquisitions of the Binjiang Real Estate Group from publicly available sources (such as public announcements made by Binjiang Real Estate), enquiries with the Binjiang Real Estate Group as to the development plans of these land acquisitions and the projects expected to require pre-delivery management services from the Group during the year ending December 31, 2024 and the estimation of the budgeted costs and the applicable rate of fees for providing pre-delivery management services. On the basis of the above, we consider that the above estimation has been made by the Management after due and careful consideration.

A 10% buffer on top of the forecast transaction amount estimated on the above basis has been incorporated to allow for possible fluctuations in fees and costs. We are of the view the 10%

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Furthermore, as advised by the Management, the proportion of GFA managed by the Group derived from projects developed by Independent Third Parties increased from approximately 4.8% in 2015 to approximately 55.0% by the end of 2022 and further increased to approximately 56.1% by mid-2023. In the first half of 2023, approximately 62.3% of the newly added GFA under management was derived from projects developed by Independent Third Parties.

Due to the long-term cooperative and mutually beneficial relationship between the Group and the Binjiang Real Estate Group, the Management does not expect any material adverse change to such relationship in the foreseeable future and expects that there will be continuous demand for pre-delivery management services to be provided by the Group to Binjiang Real Estate Group in 2024. In view of the above and having considered that the Group generates a great majority of its revenue from Independent Third Parties, we concur with the Board's view that the Non-exempt CCT Agreement, among others, as set out in the letter from the Board in this Circular, does not constitute undue reliance on the Binjiang Real Estate Group.

4. Internal controls

To ensure that the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures to review and assess whether the individual transaction will be conducted within the framework of the Non-exempt CCT Agreement and in accordance with the aforesaid pricing policy:

- (a) the relevant personnel of the sales department and finance department will monitor the transactions contemplated under the Non-exempt CCT Agreement on a monthly basis to ensure that the transaction amount does not exceed the annual cap of the Non-exempt CCT Agreement;
- (b) the implementation of individual contracts shall be subject to the appropriate approval of the relevant personnel of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the Non-exempt CCT Agreement, particularly that the service fees and payment terms are no less favourable to the Group than those available from Independent Third Parties;
- (c) the relevant personnel of the sales department of the Group will conduct annual reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the Group's pricing policy;

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- (d) the auditors of the Company shall conduct annual reviews on the pricing and annual cap of such continuing connected transactions to ensure that the transaction amount is within the annual cap and that the Transactions are conducted on the principal terms of the Non-exempt CCT Agreement; and
- (e) the independent non-executive Directors shall review the management's review reports on the Transactions to ensure that such transactions are conducted on normal commercial terms or better and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have reviewed the internal policies and procedures manual in respect of connected transactions and randomly selected and reviewed the internal approval record for a pre-delivery management project in 2023, which we consider sufficient for our understanding of the internal approval procedures of the Company; and we noted that the contract had been properly approved by the relevant personnel stated above, including among others, the project manager, the in-house legal adviser, the district manager, the financial controller, the vice president/executive president and the chief executive officer. We consider that the measures in place provide reasonable assurance that the conduct of the continuing connected transactions would be governed by approval(s) from relevant management level and in compliance with the terms and conditions as stated in the Non-exempt CCT Agreement.

We have also reviewed the full set of monthly transaction reports from January to October 2023 prepared by the finance department for the purpose of monitoring the transaction amounts against the annual cap.

Further, we note from the annual report of the Company for the year ended December 31, 2022 the confirmations from the independent non-executive Directors and the auditors of the Company for the continuing connected transactions of the Group for the year ended December 31, 2022 in accordance with Rules 14A.55 and 14A.56 of the Listing Rules respectively as set out in the annual report of the Group for the year ended December 31, 2022.

In light of the above, we are of the view that appropriate measures are in place to ensure that the transactions contemplated under the Non-exempt CCT Agreement will be conducted on normal commercial terms or better and to safeguard the interests of the Independent Shareholders and of the Company as a whole.

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OPINION

Having considered the abovementioned principal factors and reasons, we consider that (i) the terms of the Non-exempt CCT Agreement (including the proposed annual cap) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Non-exempt CCT Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Non-exempt CCT Agreement.

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED
Calvin Cheng
Director, Corporate Finance

Mr. Calvin Cheng is a responsible officer of Optima Capital and a licensed person registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Cheng has over 10 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

a. Directors' and Chief Executive's Interests and Short Positions in Shares, underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and 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 the Directors and chief executives were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept by the Company or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company were as follows:

Name of Director	Capacities in which interests are held	Number of Shares	Long/Short position	Approximate percentage of shareholding in the Company
Mr. Mo Jianhua	Settlor of a discretionary trust and interest in controlled corporation	35,640,000 ⁽¹⁾	Long position	12.89%
Mr. Qi Jiaqi	Beneficiary of a discretionary trust	126,720,000 ⁽²⁾	Long position	45.85%

Note:

- (1) As at the Latest Practicable Date, Haoyu held 12.89% of issued share capital of the Company. The entire issued share capital of Haoyu is held by Infiniti Trust (Asia) Limited (through its nominee companies) as a trustee of Great Splendor Trust. Great Splendor Trust is a discretionary trust set out by Mr. Mo Jianhua as

Name of Shareholder	Capacities/ Nature of interest	Number of Shares	Long/Short position/ Lending pool	Approximate percentage of shareholding
Cantrust (Far East) Limited ⁽¹⁾	Trustee and interest in controlled corporation	126,720,000	Long position	45.85%
Mr. Zhu Huiming ⁽²⁾	Settlor of a discretionary trust and interest in controlled corporation	35,640,000	Long position	12.89%
Jovial Success ⁽²⁾	Beneficial owner	35,640,000	Long position	12.89%
Splendid Force Holding Limited ⁽²⁾	Interest in controlled corporation	35,640,000	Long position	12.89%
Haoyu ⁽²⁾	Beneficial owner	35,640,000	Long position	12.89%
Great Splendor Holding Limited ⁽²⁾	Interest in controlled corporation	35,640,000	Long position	12.89%
Infiniti Trust (Asia) Limited ⁽²⁾	Trustee and interest in controlled corporation	71,280,000	Long position	25.79%

Notes:

- (1) As at the Latest Practicable Date, Great Dragon held 45.85% of issued share capital of the Company. The entire issued share capital of Great Dragon is held by Cantrust (Far East) Limited (through its nominee company) as trustee of Bright Cloud Trust. Bright Cloud Trust is a discretionary trust set up by Mr. Qi Jinxing as settlor on November 19, 2018. The beneficiaries of the Bright Cloud Trust include Mr. Qi Jinxing, Mr. Qi Jiaqi and certain family members of Mr. Qi Jinxing.
- (2) As at the Latest Practicable Date, each of Jovial Success and Haoyu held 12.89% of issued share capital of the Company, respectively. The entire issued share capital of Jovial Success and Haoyu are held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of each Splendid Force Trust and Great Splendor Trust, respectively. Splendid Force Trust is a discretionary trust set up by Mr. Zhu Huiming as settlor on November 19, 2018. The beneficiaries of the Splendid Force Trust include Mr. Zhu Huiming and certain family members of Mr. Zhu Huiming. Great Splendor Trust is a discretionary trust set out by Mr. Mo Jianhua as settlor on November 19, 2018. The beneficiaries of the Great Splendor Trust include Mr. Mo Jianhua and certain family members of Mr. Mo Jianhua.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competed or might compete with the businesses of the Group.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors:

- (i) had any interest, direct or indirect, in any assets which have been, since December 31, 2022 (being the date to which the latest published audited accounts of the Group were

Optima Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Optima Capital (i) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) had no direct or indirect interests in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2022 (the date to which the latest published audited consolidated financial statements of the Company were made up).

8. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1111, Cayman Islands.
- (b) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The head office of the Company is at Room 1201-1, Block 1, New Town Times Square, Shangcheng District, Hangzhou, PRC.
- (d) The principal place of business of the Company in Hong Kong is at Room 507, 5/F, OfficePlus@Sheung Wan, 93 103 Wing Lok Street, Sheung Wan, Hong Kong.
- (e) Ms. Zhong Ruoqin and Ms. Au Wai Ching are the joint company secretaries of the Company. Ms. Au Wai Ching is the senior manager of SWCS Corporate Services Group (Hong Kong) Limited (an external service provider).
- (f) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS ON DISPLAY

Copy of the following document will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hzbjwy.com>) for the period of 14 days from the date of this circular:

- (a) the 2024 Master Pre-delivery Management Services Agreement.



NOTICE OF EGM

- (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2024 Master Pre-delivery Management Services Agreement and the transactions respectively contemplated thereunder.”

By Order of the Board
BINJIANG SERVICE GROUP CO. LTD.
Yu Zhongxiang
Chairman

Hangzhou, PRC, December 22, 2023

Notes:

- (1) All resolutions at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (2) Any shareholder of the Company 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 shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. A proxy need not be a shareholder of the Company. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
- (3) In order to be valid, this 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 by post or by hand at the Company's branch share registrar, 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 appointed for the EGM (i.e. not later than 2:30 p.m. on Wednesday, January 10, 2024) or any adjournment thereof.
- (4) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) The register of members of the Company will be closed from Wednesday, January 10, 2024 to Friday, January 12, 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the EGM to be held on Friday, January 12, 2024, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, January 9, 2024.

As at the date of this notice, the board of directors of the Company comprises Mr. Yu Zhongxiang and Ms. Zhong Ruoqin as executive directors; Mr. Mo Jianhua, Mr. Qi Jiaqi and Mr. Cai Xin as non-executive directors; Mr. Ding Jiangang, Mr. Li Kunjun and Ms. Cai Haijing as independent non-executive directors.

* For identification purposes only