
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiayuan Services Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Jiayuan Services Holdings Limited

佳源服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1153)

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent financial adviser to
the Independent Board Committee and the Independent Shareholders



A letter from the Independent Board Committee of Jiayuan Services Holdings Limited (the “Company”) is set out on page 22 of this circular. A letter from Akron Corporate Finance Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders of the Company is set out on pages 23 to 44 of this circular.

A notice convening an extraordinary general meeting of the Company (the “EGM”) to be held at Room 1403, 9 Queen’s Road Central, Hong Kong, on Monday, 17 January 2022 at 4:30 p.m. is set out on pages 50 to 52 of this circular. Whether or not you are able to attend the EGM, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://jy-fw.cn/>).

PRECAUTIONARY MEASURES FOR THE EGM

Please see page ii of this document for measures being taken to try to prevent and control the spread of the COVID-19 at the EGM, including:

- compulsory temperature checks
- compulsory wearing of surgical face masks
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) All attendees must wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The proxy form for use at the EGM is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders choosing not to attend the EGM in person have any questions relating to the EGM, or about the relevant resolutions, or about the Company or any matters for communication with the Board, Shareholders may at any time send their enquiries and concerns with contact information of the requisitionists in writing to the Company's headquarters at Room 1403, 9 Queen's Road Central, Hong Kong or to the Company's email at jyfw@jy-fw.cn.

DEFINITIONS

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

“2020 Chuangsheng Sales Management Agreement”	the agreement dated 21 November 2020 entered into between Chuangsheng Holdings and the Company in relation to the provision of Sales Management and Other Services
“2020 Jiayuan Sales Management Agreement”	the agreement dated 21 November 2020 entered into between Jiayuan International and the Company in relation to the provision of Sales Management and Other Services
“Annual Cap”	each of the proposed annual cap amounts for service fees payable by the Chuangsheng Holdings Group to the Group under the Chuangsheng Sales Management and Other Services Framework Agreement and by the Jiayuan International Group to the Group under the Jiayuan International Sales Management and Other Services Framework Agreement
“associates”; “connected person(s)”; “continuing connected transaction”; “controlling shareholder(s)”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“China Jiayuan”	China Jiayuan Group Limited (中國佳源控股集團有限公司), a company incorporated in Hong Kong with limited liability on 15 August 2016
“Chuangsheng Holdings”	Jiayuan Chuangsheng Holding Group Company Limited* (佳源創盛控股集團有限公司), a company established in the PRC with limited liability and held as to 98.83% by Mr. Shum
“Chuangsheng Holdings Group”	Chuangsheng Holdings and its subsidiaries from time to time

DEFINITIONS

“Chuangsheng Sales Management and Other Services Framework Agreement”	the framework agreement entered into between Chuangsheng Holdings and the Company on 22 December 2021 in respect of the engagement of members of the Group by members of the Chuangsheng Holdings Group for the provision of the Sales Management Services and Other Services
“Chuangyuan Holdings”	Chuangyuan Holdings Limited (創源控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 22 June 2018
“Company”	Jiayuan Services Holdings Limited (佳源服務控股有限公司), 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: 1153)
“Continuing Connected Transactions”	the transactions arising from the Chuangsheng Sales Management and Other Services Framework Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for considering, and, if thought fit, approving, among other things, the continuing connected transactions to be carried out pursuant to the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under (1) the Chuangsheng Sales Management and Other Services Framework Agreement and (2) the Jiayuan International Sales Management and Other Services Framework Agreement
“Galaxy Emperor”	Galaxy Emperor Limited, a company incorporated in the British Virgin Islands with limited liability on 9 October 2019
“GFA”	gross floor area
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors respectively formed for advising the Independent Shareholders in respect of the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements
“Independent Financial Adviser” or “Akron”	Akron Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Independent Shareholders”	the shareholders of the Company who are not required to abstain from voting on resolutions to approve the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements at the EGM pursuant to the Listing Rules
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, is/are not connected with the Company or its connected persons as defined under the Listing Rules
“Jiayuan International”	Jiayuan International Group Limited (佳源國際控股有限公司), a company incorporated under the laws of Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2768)
“Jiayuan International Group”	Jiayuan International and its subsidiaries from time to time

DEFINITIONS

“Jiayuan International Sales Management and Other Services Framework Agreement”	the framework agreement entered into between Jiayuan International and the Company on 22 December 2021 in respect of the engagement of members of the Group by members of the Jiayuan International Group for the provision of the Sales Management Services and Other Services
“Jiayuan Investment”	Jiayuan Investment Management Limited (佳源投資管理有限公司), a company incorporated in the British Virgin Islands with limited liability on 8 May 2015
“Latest Practicable Date”	28 December 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Group Investment”	Mingyuan Group Investment Limited (明源集團投資有限公司), a company incorporated in the British Virgin Islands with limited liability on 4 May 2015
“Mr. Shum”	Mr. Shum Tin Ching (沈天晴), the chairman and the non-executive director of Jiayuan International, and the ultimate controlling shareholder of the Company and Jiayuan International
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Prospectus”	prospectus of the Company dated 27 November 2020
“Revised Cap(s)”	the proposed revised annual cap amounts for service fees payable by the Chuangsheng Holdings Group and/or the Jiayuan International Group to the Group in respect of the Sales Management and Other Services for the year ending 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sales Management and Other Services”	the sales management and other services, including but not limited to (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services on an one-off basis for the properties before delivery to homeowners, for property projects developed by the Chuangsheng Holdings Group or the Jiayuan International Group (as the case may be)
“Sales Management and Other Services Framework Agreements”	collectively, (1) the Chuangsheng Sales Management and Other Services Framework Agreement and (2) the Jiayuan International Sales Management and Other Services Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.
*	<i>for identification purposes only</i>

LETTER FROM THE BOARD

Jiayuan Services Holdings Limited **佳源服務控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1153)

Executive Directors:

Mr. Zhu Hongge (*Chairman and
Chief Executive Officer*)

Mr. Bao Guojun

Mr. Pang Bo

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111 Cayman Islands

Non-executive Director:

Mr. Huang Fuqing

Principal place of business in the PRC:

Floor 3, Rome Metropolis No. 899

Wanghu Road, Nanhu District

Jiaxing, Zhejiang Province, PRC

Independent non-executive Directors:

Ms. Liang Yunxu

Mr. Wang Huimin

Mr. Wong Kwok Yin

Headquarters:

Room 1403, 9 Queen's Road Central

Hong Kong

29 December 2021

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the section headed “Connected Transactions” in the Prospectus in relation to, among others, the entering into (i) the 2020 Chuangsheng Sales Management Agreement; and (ii) the 2020 Jiayuan Sales Management Agreement (collectively, the “Existing Agreements”).

On 22 December 2021, the Company entered into (i) the Chuangsheng Sales Management and Other Services Framework Agreement, with Chuangsheng Holdings; and (ii) the Jiayuan International Sales Management and Other Services Framework Agreement, with Jiayuan International, to revise the existing annual caps for the Sales Management and Other Services for the year ending 31 December 2021, terminate the Existing Agreements on the respective date of commencement of the term under the Sales Management and Other Services Framework Agreements and to provide the new continuing connected transaction arrangements for the three years ending 31 December 2024, which shall be effective upon obtaining the approval of the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Continuing Connected Transactions; (ii) a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders on the Continuing Connected Transactions, the Revised Caps, and the Annual Caps; (iii) a letter from Akron, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders setting out its opinion on the Continuing Connected Transactions, the Revised Caps and the Annual Caps; and (iv) a notice of the EGM.

CHUANGSHENG SALES MANAGEMENT AND OTHER SERVICES FRAMEWORK AGREEMENT

Reference is made to the sub-section headed “Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” in the Prospectus in relation to, among others, the entering into the 2020 Chuangsheng Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, the Company and Chuangsheng Holdings entered into the Chuangsheng Sales Management and Other Services Framework Agreement to revise the existing annual caps for the Sales Management and Other Services for the year ending 31 December 2021, terminate the 2020 Chuangsheng Sales Management Agreement and provide the new continuing connected transaction arrangements for the Sales Management and Other Services for the three years ending 31 December 2024.

(i) Revision of Existing Annual Cap for 2021

Since the actual number of housing sales office service projects has increased by approximately 20% as compared to previously expected, it is expected that the transaction amount under the 2020 Chuangsheng Sales Management Agreement for the year ending 31 December 2021 will be higher than the existing annual cap of RMB41.0 million. The Company proposed to enter into the Chuangsheng Sales Management and Other Services Framework Agreement to revise the existing annual cap for Sales Management and Other Services provided to the Chuangsheng Holdings Group for the year ending 31 December 2021 to RMB47.0 million and to terminate the 2020 Chuangsheng Sales Management Agreement with effect from the date of commencement of the term of the Chuangsheng Sales Management and Other Services Framework Agreement. Save for the revision of the annual cap for the Sales Management and Other Services for the year ending 31 December 2021 and the early termination, all other principal terms and conditions of the Chuangsheng Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Chuangsheng Sales Management Agreement. The Revised Cap and the proposed Annual Caps for the Sales Management and Other Services are subject to the approval by the Independent Shareholders at the EGM.

Based on the latest data of the Company as at 31 October 2021, the aggregate service fees paid by the Chuangsheng Holdings Group to the Group in respect of the 2020 Chuangsheng Sales Management Agreement for the year ending 31 December 2021 is approximately RMB33.9 million and the existing annual caps of approximately RMB41.0 million.

LETTER FROM THE BOARD

(ii) Continuing Connected Transactions from 2022 to 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Chuangsheng Sales Management and Other Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) the Company; and
- (2) Chuangsheng Holdings

Term

The period commencing on the date on which all conditions precedent set out in this circular have been fulfilled to and including 31 December 2024 (both days inclusive).

Subject matter

- (i) The Group shall, where it is selected by the Chuangsheng Holdings Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Group and members of the Chuangsheng Holdings Group from time to time;
- (ii) the management fees payable by the Chuangsheng Holdings Group shall be determined based on the fee quotes to be submitted by the Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (iii) the individual management agreements to be entered into between members of the Group and members of the Chuangsheng Holdings Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Chuangsheng Sales Management and Other Services Framework Agreement.

LETTER FROM THE BOARD

Conditions precedent

The Chuangsheng Sales Management and Other Services Framework Agreement is conditional upon the following:

- (1) the Independent Shareholders having approved it by way of poll at the EGM to be convened in compliance with the Listing Rules; and
- (2) if applicable, all authorisations, approvals, consents, waivers and permits required from all authorities to give effect to it having been granted, received or obtained and not revoked.

Historical transaction amounts and original annual caps

For each of the three financial years ended 31 December 2018, 2019 and 2020 and the ten months ended 31 October 2021, the aggregate service fees paid by the Chuangsheng Holdings Group to the Group in respect of the Sales Management and Other Services amounted to approximately RMB27.1 million, RMB34.5 million, RMB38.1 million and RMB33.9 million, respectively.

The original caps for the transactions under the 2020 Chuangsheng Sales Management Agreement are as follows:

	For the year ended 31 December 2020 <i>(RMB: million)</i>	For the year ending 31 December 2021 <i>(RMB: million)</i>	For the year ending 31 December 2022 <i>(RMB: million)</i>
Sales Management and Other Services	38.2	41.0	44.2

Proposed Annual Caps and the basis of determination

The proposed Annual Caps for the transactions under the Chuangsheng Sales Management and Other Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Sales Management and Other Services	53.0	63.6	76.4

LETTER FROM THE BOARD

In arriving the above Annual Caps for the Sales Management and Other Services under the Chuangsheng Sales Management and Other Services Framework Agreement, the parties have primarily considered, in respect of the following business sectors:

- (a) the sales management services, including but not limited to the following information:
 - (i) the number of the expected projects which is estimated to be 58, 70 and 84 for each of the three years ending 31 December 2022, 2023 and 2024, respectively. Such numbers of expected property projects are estimated with reference to the estimated number of 48 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;
 - (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
 - (iii) the estimated number of staff based on the average number of staff assigned to each existing project;
 - (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; and
 - (v) the estimated property delivery schedule from the Chuangsheng Holdings Group for the three years ending 31 December 2024; and
- (b) the other services, including but not limited to the following information:
 - (i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of the Chuangsheng Holdings Group and the historical delivered GFA; and
 - (ii) the estimated management fees based on the management fee charged under the existing contracts.

The increase in the relevant proposed Annual Caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for each of the three years ending 31 December 2022, 2023 and 2024, respectively; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by the Chuangsheng Holdings Group in the three years ending 31 December 2024.

LETTER FROM THE BOARD

The increase in the proposed Annual Caps as compared to the historical transaction amounts is primarily due to the following reasons:

- (i) the increase of staff cost per year from approximately RMB90,000 for the year ended 31 December 2019 to approximately RMB105,000 for the year ended 31 December 2020; and
- (ii) the increase in the number of expected projects of the Chuangsheng Holdings Group to 58, 70 and 84 for each of the three years ending 31 December 2022, 2023 and 2024, respectively, as compared to the number of projects of the Chuangsheng Holdings Group to which the Group provided sales management services for each of the years ended or ending 31 December 2019, 2020 and 2021, which amounted to 41, 40 and 48, respectively.

The number of expected projects of the Chuangsheng Holdings Group for the year ending 31 December 2021 is expected to increase to 48, as compared to the 40 projects of the Chuangsheng Holdings Group to which the Group provided sales management services for the year ended 31 December 2020. The estimated GFA of the properties to be delivered by the Chuangsheng Holdings Group is expected to grow by approximately 20% on average year on year.

JIAYUAN INTERNATIONAL SALES MANAGEMENT AND OTHER SERVICES FRAMEWORK AGREEMENT

Reference is made to the sub-section headed and “Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” in the Prospectus in relation to, among others, the entering into the 2020 Jiayuan Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, the Company and Jiayuan International entered into the Jiayuan International Sales Management and Other Services Framework Agreement to revise the existing annual caps for the Sales Management and Other Services for the year ending 31 December 2021, terminate the 2020 Jiayuan Sales Management Agreement and provide the new continuing connected transaction arrangements for the Sales and Management and Other Services for the three years ending 31 December 2024.

(i) Revision of Existing Annual Cap for 2021

Since the actual number of housing sales office service projects has increased by approximately 26% as compared to previously expected, it is expected that the transaction amount under the 2020 Jiayuan Sales Management Agreement for the year ending 31 December 2021 will be higher than the existing annual cap of RMB36.8 million. The Company proposed to revise the existing annual cap for Sales Management and Other Services provided to the Jiayuan International Group for the year ending 31 December 2021 to RMB48.0 million and

LETTER FROM THE BOARD

to terminate the 2020 Jiayuan Sales Management Agreement with effect from the date of commencement of the term of the Jiayuan International Sales Management and Other Services Framework Agreement. Save for the revision of the annual cap for the Sales and Management and Other Services for the year ending 31 December 2021 and the early termination, all other principal terms and conditions of the Jiayuan International Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Jiayuan Sales Management Agreement. The Revised Cap and the proposed Annual Caps for the Sales and Management and Other Services are subject to the approval by the Independent Shareholders at the EGM.

Based on the latest data of the Company as at 31 October 2021, the aggregate service fees paid by the Jiayuan International Group to the Group in respect of the 2020 Jiayuan Sales Management Agreement for the year ending 31 December 2021 is approximately RMB31.8 million, as compared to its existing annual caps of approximately RMB36.8 million. Based on the latest data of the Company as at the Latest Practicable Date, the transaction amount in December 2021 has not been confirmed and audited, there is a probability that the existing annual cap for the year ending 31 December 2021 could be exceeded.

Reasons for the proposed increase of the Annual Caps

The estimated transaction amount for the year ending 31 December 2021 was based on the actual transaction amount for the year ended 31 December 2019 and the expected growth rate at that time. The actual GFA of the properties and actual number of projects delivered by the Jiayuan International Group in the year ending 31 December 2021 was more than expected resulting in there being a probability that the existing annual cap for the year ending 31 December 2021 could be exceeded.

(ii) Continuing Connected Transactions from 2022 to 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Jiayuan International Sales Management and Other Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) the Company; and
- (2) Jiayuan International

LETTER FROM THE BOARD

Term

The period commencing on the date on which all conditions precedent set out in this circular have been fulfilled to and including 31 December 2024 (both days inclusive).

Subject matter

- (i) The Group shall, where it is selected by the Jiayuan International Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Group and members of the Jiayuan International Group from time to time;
- (ii) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by the Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (iii) the individual management agreements to be entered into between members of the Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Sales Management and Other Services Framework Agreement.

Conditions precedent

The Jiayuan International Sales Management and Other Services Framework Agreement is conditional upon the following:

- (1) the Independent Shareholders having approved it by way of poll at the EGM to be convened in compliance with the Listing Rules; and
- (2) if applicable, all authorisations, approvals, consents, waivers and permits required from all authorities to give effect to it having been granted, received or obtained and not revoked.

Historical transaction amounts and original annual caps

For each of the three financial years ended 31 December 2018, 2019 and 2020 and the ten months ended 31 October 2021, the aggregate service fees paid by the Jiayuan International Group to the Group in respect of the sales management and other services amounted to approximately RMB26.5 million, RMB30.7 million, RMB30.7 million and RMB31.8 million, respectively.

LETTER FROM THE BOARD

The original caps for the transactions under the 2020 Jiayuan Sales Management Agreement are as follows:

	For the year ended 31 December 2020 <i>(RMB: million)</i>	For the year ending 31 December 2021 <i>(RMB: million)</i>	For the year ending 31 December 2022 <i>(RMB: million)</i>
Sales Management and Other Services	34.2	36.8	39.8

Proposed Annual Caps and the basis of determination

The proposed Annual Caps for the transactions under the Jiayuan International Sales Management and Other Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Sales Management and Other Services	58.0	69.6	83.6

In arriving the above Annual Caps for the Sales Management and Other Services under the Jiayuan International Sales Management and Other Services Agreement, the parties have primarily considered, in respect of the following business sectors:

- (a) the sales management services, including but not limited to the following information:
 - (i) the number of the expected projects which is estimated to be 59, 71 and 85 for each of the three years ending 31 December 2022, 2023 and 2024, respectively. Such numbers of expected property projects are estimated with reference to the estimated number of 49 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;
 - (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
 - (iii) the estimated number of staff based on the average number of staff assigned to each existing project;
 - (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; and
 - (v) the estimated property delivery schedule from the Jiayuan International Group for the three years ending 31 December 2024; and

LETTER FROM THE BOARD

- (b) the other services, including but not limited to the following information:
- (i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of the Jiayuan International Group and the historical delivered GFA; and
 - (ii) the estimated management fees based on the management fees charged under the existing contracts.

The increase in the relevant proposed Annual Caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for each of the three years ending 31 December 2022, 2023 and 2024, respectively; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by the Jiayuan International Group in the three years ending 31 December 2024. The estimated GFA of the properties to be delivered by the Jiayuan International Group is expected to grow by approximately 20% on average year on year.

The increase in the proposed Annual Caps as compared to the historical transaction amounts is primarily due to (i) the increase in the number of expected projects of the Jiayuan International Group to 59, 71 and 85 for each of the three years ending 31 December 2022, 2023 and 2024, respectively, as compared to the number of projects of the Jiayuan International Group to which the Group provided sales management services for each of the three years ended or ending 31 December 2019, 2020 and 2021, which amounted to 35, 39 and 49, respectively; and (ii) the increase of staff cost per year from approximately RMB101,000 for the year ended 31 December 2020 to approximately RMB106,000 for the year ending 31 December 2021.

PRICING PRINCIPLES

As a general principle, the price and terms of contracts with the Chuangsheng Holdings Group and the Jiayuan International Group shall be determined (1) in the ordinary course of business on normal commercial terms, (2) negotiated on an arm's length basis and (3) at prices and on terms no less favourable to the Group than those provided to the Independent Third Party customers of the Group.

For those sales management and other services which are not subject to tender process according to the prevailing laws and regulations of the PRC, the Group will compare the price quotes and terms of the relevant services with those offered to the Independent Third Party customers from time to time, so as to ensure that the offer price to the Chuangsheng Holdings Group and the Jiayuan International Group and the terms are no less favourable to the Group than those offered to the Independent Third Party customers for the Group.

LETTER FROM THE BOARD

GENERAL INFORMATION OF THE PARTIES

Information of the Group

The Group is a leading comprehensive property management service provider in Zhejiang province, headquartered in Jiaxing and deeply rooted in the Yangtze River Delta Region. The principal activities of the Group are provision of property management services, value-added services to property developers and community value-added services in the PRC.

Information of the Jiayuan International Group

Jiayuan International Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in the PRC. The principal activities of the Jiayuan International Group include (a) the development and sale of residential and commercial properties; (b) the provision of development services to government organisations for the development of resettlement properties and development or refurbishment of other types of properties, facilities or infrastructure; and (c) the leasing of commercial properties owned or developed by the Jiayuan International Group.

Information of Chuangsheng Holdings

Chuangsheng Holdings is a company established under the laws of the PRC with limited liability. It is held as to 98.83% by Mr. Shum and principally engaged in property development, equity investment, enterprise investment and enterprise management consulting services.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

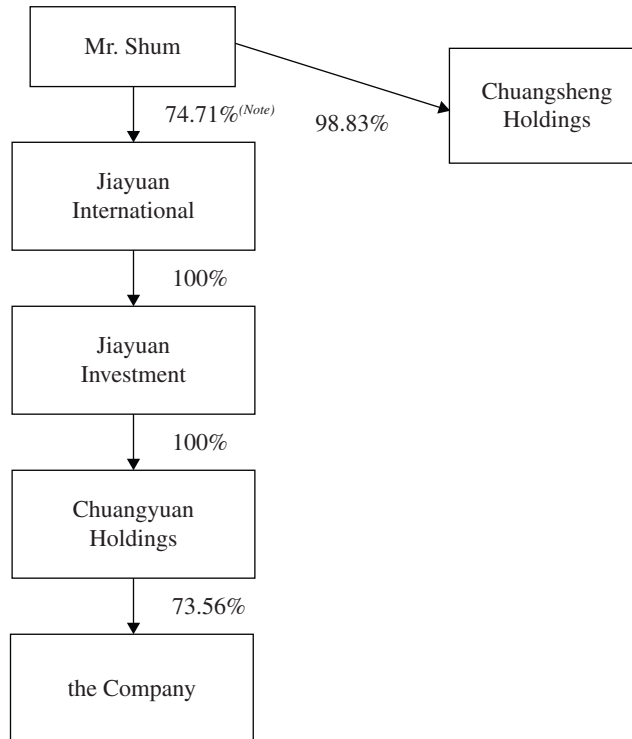
The Directors consider that the provision of the Sales Management and Other Services to the Chuangsheng Holdings Group and the Jiayuan International Group under the Sales Management and Other Services Framework Agreements will provide the Group with stable income and allow it to maximise the profits and to enhance its economies of scale.

The Directors (including the independent non-executive directors after considering the advice of the Independent Financial Adviser) consider that the Sales Management and Other Services Framework Agreements are entered into on an arm's length basis and are on normal commercial terms, and the terms of the Sales Management and Other Services Framework Agreements (including the Revised Caps and the Annual Caps) and the transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The relationship among Mr. Shum, the Company, Jiayuan International and Chuangsheng Holdings are set out in the structural chart below:



Note: As at the Latest Practicable Date, Jiayuan International is owned as to approximately 1.87% by Mr. Shum in his own personal capacity, and approximately 72.84% by Mingyuan Group Investment. Mingyuan Group Investment is directly owned as to 70% by China Jiayuan, which is directly wholly-owned by Galaxy Emperor. Galaxy Emperor is directly wholly-owned by Mr. Shum. Therefore, Mr. Shum is entitled to exercise or control the exercise of 74.71% of the voting power at any general meeting of Jiayuan International.

As at the Latest Applicable Date, Jiayuan International is a controlling shareholder of the Company and indirectly interested in approximately 73.56% of the issued share capital of the Company. As such, the transactions contemplated under the Jiayuan International Sales Management and Other Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Mr. Shum is deemed to be interested in approximately 73.56% of the Company and is ultimate controlling shareholder of the Company. Chuangsheng Holdings is held as to 98.83% by Mr. Shum and is an associate of Mr. Shum. As such, Chuangsheng Holdings is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Chuangsheng Sales Management and Other Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Since one or more of the applicable percentage ratios calculated with reference to the Revised Caps and the Annual Caps for those continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements is expected to be higher than 5% and have an annual consideration of higher than HK\$10 million, the Sales Management and Other Services Framework Agreements are subject to the reporting, announcement, independent financial advice, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Shum and its associates who in aggregate control or are entitled to exercise control over the voting rights in respect of 450,000,000 Shares, representing 73.56% of total Shares in issue as at the Latest Practicable Date, shall abstain from voting at the EGM in respect of the Continuing Connected Transactions as well as the Annual Caps.

None of the Directors have any material interest in the Sales Management and Other Services Framework Agreements and the continuing connected transactions contemplated thereunder. Accordingly, no Director is required to abstain from voting on the board resolutions to approve the Sales Management and Other Services Framework Agreements and the continuing connected transactions contemplated thereunder.

INTERNAL CONTROL

The terms of the Chuangsheng Sales Management and Other Services Framework Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement were arrived at after arm's length negotiations between the Company and Chuangsheng Holdings and Jiayuan International. In order to ensure the pricing of the Sales Management and Other Services is on normal commercial terms, the Company has established a series of internal control procedures, including:

- (1) On an annual basis or more regularly as necessary, the responsible business department of the Group will compare the price quotes and terms of the relevant services under the Continuing Connected Transactions with those offered to the Independent Third Party customers from time to time, so as to ensure that the price and terms offered to the Chuangsheng Holdings Group and the Jiayuan International Group are no less favourable to the Group than those offered to the Independent Third Party customers. Before the Group enters into any of the transactions, the responsible business department must ensure that (i) the price of the transaction is the same as, or within the price range of, comparable transactions with Independent Third Party customers (where such transactions are available as references); and (ii) if there is any change to the Group's pricing policy or mechanism, that the revised pricing policy or mechanism is in line with market practice;
- (2) The reasonableness of the estimated man-days/man-hours for the Sales Management and Other Services will be verified by the Group's independent departments (e.g. internal audit, finance department); and

LETTER FROM THE BOARD

- (3) On a yearly basis, the auditors submit a letter to the Board confirming that the Continuing Connected Transactions:
- (i) have received the approval of the Company's board of directors;
 - (ii) are in accordance with the pricing policies of the Company;
 - (iii) have been entered into in accordance with the relevant agreement governing the transactions; and
 - (iv) have not exceeded the caps disclosed in previous announcement(s).

The independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Group throughout the preceding financial year and confirm on the transactional amounts and terms of the transactions in the annual report of the Company.

By implementing the above procedures, the Directors consider that the Group has established sufficient internal control reviewing and monitoring measures to ensure the pricing basis of each of the Continuing Connected Transactions will be on market terms and on normal commercial terms and will be fair and reasonable to the Group and the Shareholders as a whole.

GENERAL

The Directors consider that the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Continuing Connected Transactions and the Revised Caps and Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

The Company proposes to seek approval from the Independent Shareholders in respect of the Continuing Connected Transactions as well as the Revised Caps and the Annual Caps at the EGM. Voting at the EGM will be conducted by poll. Mr. Shum and its associates who in aggregate control or are entitled to exercise control over the voting rights in respect of 450,000,000 Shares, representing 73.56% of total Shares in issue as at the Latest Practicable Date, shall abstain from voting at the EGM in respect of the Continuing Connected Transactions as well as the Revised Caps and the Annual Caps. Save as disclosed above, no other Shareholders have any material interests in the Continuing Connected Transactions and will be required to abstain from voting on the resolutions in respect of the Continuing Connected Transactions as well as the Revised Caps and the Annual Caps.

LETTER FROM THE BOARD

The Independent Board Committee comprising all of the three (3) independent non-executive Directors, namely Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin has been formed to advise the Independent Shareholders as to whether the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and whether the terms of the Continuing Connected Transactions and the Revised Caps and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Akron has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

THE EGM

A notice convening the EGM to be held at Room 1403, 9 Queen's Road Central, Hong Kong, on Monday, 17 January 2022 at 4:30 p.m. is set out on pages 50 to 52 of this circular.

A form of proxy for use at the EGM is enclosed herewith and is also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://jy-fw.cn>). Whether or not you are able to attend the EGM, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll. The Chairman of the EGM will demand a poll for the resolutions to be proposed at the EGM in accordance with the articles of association of the Company. The results of the voting will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://jy-fw.cn>) after the conclusion of the EGM.

RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee set out on page 22 of this circular. The Independent Board Committee, having taken into account the advice of Independent Financial Adviser, the text of which is set out on pages 23 to 44 of this circular, considers that (i) the Continuing Connected Transactions contemplated under the Sales Management and Other Services Framework Agreements fall in the ordinary and usual course of business of the Group; (ii) the Sales Management and Other Services Framework Agreements are in the interests of the Group and the Shareholders as a whole; (iii) the terms

LETTER FROM THE BOARD

of the Sales Management and Other Services Framework Agreements are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned; and (iv) the Revised Caps and Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Sales Management and Other Services Framework Agreements and the transactions contemplated thereunder as well as the Revised Caps and Annual Caps.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Jiayuan Services Holdings Limited
Zhu Hongge
Chairman and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee to the Independent Shareholders for the inclusion in this circular.

Jiayuan Services Holdings Limited

佳源服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1153)

29 December 2021

To the Independent Shareholders

Jiayuan Services Holdings Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 29 December 2021 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether, in our opinion, whether the terms of the Sales Management and Other Services Framework Agreements, the transactions contemplated thereunder as well as the Revised Caps and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Akron has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Having considered the advice given by, and the principal factors and reasons taken into consideration by Akron in arriving at its advice, we consider that (i) the Continuing Connected Transactions contemplated under the Sales Management and Other Services Framework Agreements fall in the ordinary and usual course of business of the Group; (ii) the Sales Management and Other Services Framework Agreements are in the interests of the Company and the Shareholders as a whole; (iii) the terms of the Sales Management and Other Services Framework Agreements are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned; and (iv) the Revised Caps and Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Sales Management and Other Services Framework Agreements and the transactions contemplated thereunder as well as the Revised Caps and Annual Caps.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Liang Yunxu
*Independent non-executive
Director*

Wang Huimin
*Independent non-executive
Director*

Wong Kwok Yin
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



29 December 2021

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 the Independent Board Committee and the Independent Shareholders in respect of (i) the Revised Caps in respect of the Sales Management and Other Services for the year ending 31 December 2021 (“**FY2021**”); and (ii) the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements (the “**Continuing Connected Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular issued by the Company to the Shareholders dated 29 December 2021 (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 the context otherwise requires.

On 22 December 2021, the Company entered into (i) the Chuangsheng Sales Management and Other Services Framework Agreement, with Chuangsheng Holdings; and (ii) the Jiayuan International Sales Management and Other Services Framework Agreement, with Jiayuan International, to revise the existing annual caps for the Sales Management and Other Services for FY2021, terminate the Existing Agreements on the respective date of commencement of the term under the Sales Management and Other Services Framework Agreements and to provide the new continuing connected transaction arrangements for the three years ending 31 December 2024, which shall be effective upon obtaining of the approval of the Independent Shareholders at the EGM.

As at the Latest Practicable Date, Jiayuan International is a controlling shareholder of the Company and indirectly interested in approximately 73.56% of the issued share capital of the Company. As such, the transactions contemplated under the Jiayuan International Sales Management and Other Services Framework Agreement constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Shum is deemed to be interested in approximately 73.56% of the Company and is ultimate controlling shareholder of the Company. Chuangsheng Holdings is held as to 98.83% by Mr. Shum and is an associate of Mr. Shum. As such, Chuangsheng Holdings is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Chuangsheng Sales Management and Other Services Framework Agreement will constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the Revised Caps and the Annual Caps for those Continuing Connected Transactions exceed 5% and the respective annual caps exceed HK\$10 million, the Continuing Connected Transactions are therefore subject to the reporting, announcement, independent financial advice, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin, all being independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Continuing Connected Transactions. We, Akron, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date. In the last two years, there was no engagement between the Group and Akron. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to the Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinion and representations contained or referred to in the Circular and the statements, information, opinion and representations provided to us by the management of the Company (the "Management") and the Directors. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Management and the Directors, for which they are solely and wholly responsible, were

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

true, accurate and complete at the time when they were made and continue to be so as at the date of the EGM, and the Shareholders will be informed of any material change of information in the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors as set out in the Circular were reasonably made after due and careful inquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and representations contained in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 in the Circular or the Circular as a whole misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Continuing Connected Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Akron to ensure that such information has been correctly extracted from relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following factors and reasons:

1. Background information of the parties involved in the Sales Management and Other Services Framework Agreements

(i) General and financial information of the Group

The Group is principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We set out below a summary of the key financial information of the Group for the years ended 31 December 2019 (“**FY2019**”) and 2020 (“**FY2020**”) and six months ended 30 June 2020 (“**1H2020**”) and 2021 (“**1H2021**”) as extracted from the annual report of the Company for FY2020 (the “**2020 Annual Report**”) and the interim report of the Company for 1H2021 (the “**2021 Interim Report**”).

	1H2021	1H2020	FY2020	FY2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	386,844	280,254	615,096	454,891
Gross profit	121,718	85,897	187,126	108,694
Profit before taxation	81,607	52,128	102,807	68,304
Profit after taxation	60,918	36,259	69,968	50,214
As at				
	30 June	30 June	As at 31 December	As at 31 December
	2021	2020	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	1,185,117	940,983	849,478	849,478
Total liabilities	603,108	422,744	688,173	688,173
Net asset value	582,009	518,239	161,305	161,305

Financial performance (FY2020 vs FY2019)

Based on the 2020 Annual Report, the revenue of the Group increased from approximately RMB454.9 million for FY2019 to approximately RMB615.1 million for FY2020, representing an increase of approximately 35.2%. The revenue of property management service business accounted for approximately 82.5% of the total revenue whereas value-added services and community value added services contributed the remaining 17.5% of the total revenue. The revenue from the property management service increased from approximately RMB365.6 million for FY2019 to approximately RMB507.6 million for FY2020, representing a growth of approximately 38.8%.

The gross profit of the Group increased by approximately 72.2% from approximately RMB108.7 million for FY2019 to approximately RMB187.1 million for FY2020, which was mainly due to the increase in revenue of the Group as a result of the increase in business scale. The gross profit margin increased from approximately 23.9% for FY2019 to approximately 30.4% for FY2020. Such increase was primarily due to (i) the increase in the gross profit margin of property management services, which accounted for a higher portion of revenue; and (ii) the deduction or exemption of payment of social insurance contributions as a result of the regulatory supportive policies issued by the local governments in response to the COVID-19 epidemic.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During FY2020, the property management service business remained to be the major source of income and profit for the Group. The increase in the scale of the property management service business was mainly due to the increase in the GFA under management and the average property management fee. As at 31 December 2020, the Group's GFA under management reached approximately 31.5 million sq.m., with a year-on-year increase of approximately 20.7%, and the contracted GFA reached approximately 49.7 million sq.m., with a year-on-year increase of approximately 28.0%. The Group has further expanded its management territory through endogenous growth, single project expansion, and cooperation through joint ventures, among which the GFA under management from third-party developers was approximately 10.5 million sq.m., with a year-on-year increase of approximately 34.4%, accounting for about 33.4% of the total GFA under management.

As disclosed in the 2020 Annual Report, the net profit of the Group increased by approximately 39.3% from approximately RMB50.2 million for FY2019 to approximately RMB70.0 million for FY2020. The core net profit of the Group (i.e. before the deduction of listing expenses) in 2020 reached approximately RMB97.1 million, representing an increase of approximately 93.3% as compared with the core net profit of approximately RMB50.2 million in 2019. The enhancement in net profit was primarily due to standardised operations, effective cost control and the economies of scale of the Group.

Financial performance (1H2021 vs 1H2020)

Based on the 2021 Interim Report, the Group achieved revenue of approximately RMB386.8 million for 1H2021, representing an increase of approximately 38.0% over the corresponding figure of approximately RMB280.3 million for 1H2020. The revenue of property management service business accounted for approximately 80.2% of the total revenue whereas value-added services to property developers and community value added services contributed the remaining 19.8% of the total revenue. The revenue from property management services increased from approximately RMB236.7 million for 1H2020 to approximately RMB310.1 million for 1H2021, representing a growth of approximately 31.0%.

For 1H2021, the gross profit of the Group was approximately RMB121.7 million, representing an increase of approximately 41.7% as compared to that of approximately RMB85.9 million for 1H2020. The gross profit margin increased from approximately 30.6% for 1H2020 to approximately 31.5% for 1H2021. Such increase was primarily due to (i) the increase in the average property management fee relative to that for the same period last year; and (ii) the continuous implementation of cost measure as a result of improvement in the operation process.

As disclosed in the 2021 Interim Report, the Group recorded a net profit after taxation of approximately RMB60.9 million for 1H2021, representing an increase of approximately 68.0% as compared with approximately RMB36.3 million for 1H2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 30 June 2021, the Group had 303 property management projects with contracted GFA of approximately 58.0 million sq.m., representing an increase of approximately 44.3% and 43.9%, respectively, as compared with that of 210 property management projects with contracted GFA of approximately 40.3 million sq.m. in the corresponding period in 2020. As at 30 June 2021, the Group had GFA under management of approximately 38.3 million sq.m., representing an increase of approximately 38.5% as compared with that of approximately 27.6 million sq.m. in the corresponding period in 2020. The increase in contracted GFA and the GFA under management was attributable to the business expansion of the Group through organic growth and acquisition.

Financial position (30 June 2021 vs 31 December 2020)

The total assets of the Group increased from approximately RMB941.0 million as at 31 December 2020 to approximately RMB1,185.1 million as at 30 June 2021, representing an increase of approximately 25.9%.

The total liabilities of the Group increased from approximately RMB422.7 million as at 31 December 2020 to approximately RMB603.1 million as at 30 June 2021, representing an increase of approximately 42.7%.

As such, it resulted in the increase in the net asset value of the Group by approximately 12.3% from approximately RMB518.2 million as at 31 December 2020 to approximately RMB582.0 million as at 30 June 2021.

(ii) General information of Chuangsheng Holdings

As stated in the Board Letter, Chuangsheng Holdings is a company established under the laws of the PRC with limited liability. It is held as to 98.83% by Mr. Shum and principally engaged in property development, equity investment, enterprise investment and enterprise management consulting services.

(iii) General information of the Jiayuan International Group

As stated in the Board Letter, Jiayuan International Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in the PRC. The principal activities of the Jiayuan International Group include (a) the development and sale of residential and commercial properties; (b) the provision of development services to government organisations for the development of resettlement properties and development or refurbishment of other types of properties, facilities or infrastructure; and (c) the leasing of commercial properties owned or developed by the Jiayuan International Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Reasons for and benefits of entering into the Sales Management and Other Services Framework Agreements

As disclosed in the Board Letter, the Directors consider that the provision of the Sales Management and Other Services to the Chuangsheng Holdings Group and the Jiayuan International Group under the Sales Management and Other Services Framework Agreements will provide the Group with stable income and allow it to maximise the profits and to enhance its economies of scale.

The Directors consider that the Sales Management and Other Services Framework Agreements are entered into on an arm's length basis and are on normal commercial terms, and the terms of the Sales Management and Other Services Framework Agreements (including the Revised Caps and the Annual Caps) and the transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

3. Principal terms of the Sales Management and Other Services Framework Agreements

Chuangsheng Sales Management and Other Services Framework Agreement

Reference is made to the sub-section headed "Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in the Prospectus in relation to, among others, the entering into the 2020 Chuangsheng Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, the Company and Chuangsheng Holdings entered into the Chuangsheng Sales Management and Other Services Framework Agreement to revise the existing annual caps for FY2021, terminate the 2020 Chuangsheng Sales Management Agreement and provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

Date

22 December 2021

Parties

- (1) the Company; and
- (2) Chuangsheng Holdings

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Term

The period commencing on the date on which all conditions precedent set out in the Circular have been fulfilled to and including 31 December 2024 (both days inclusive).

Subject matter

- (a) The Group shall, where it is selected by the Chuangsheng Holdings Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Group and members of the Chuangsheng Holdings Group from time to time;
- (b) the management fees payable by the Chuangsheng Holdings Group shall be determined based on the fee quotes to be submitted by the Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (c) the individual management agreements to be entered into between members of the Group and members of the Chuangsheng Holdings Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Chuangsheng Sales Management and Other Services Framework Agreement.

We have obtained and reviewed both the 2020 Chuangsheng Sales Management Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement and we notice that the principal terms of the two agreements are substantially the same, save for the annual caps.

Pricing principles

Pursuant to the Chuangsheng Sales Management and Other Services Framework Agreement, as a general principle, the price and terms of contracts with the Chuangsheng Holdings Group shall be determined (i) in the ordinary course of business on normal commercial terms; (ii) negotiated on an arm's length basis; and (iii) at prices and on terms no less favourable to the Group than those provided to the Independent Third Party customers of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For those sales management and other services which are not subject to tender process according to the prevailing laws and regulations of the PRC, the Group would compare the price quotes and terms of the relevant services with those offered to the Independent Third Party customers from time to time, so as to ensure that the offer price to the Chuangsheng Holdings Group and the terms are no less favourable to the Group than those offered to the Independent Third Party customers for the Group.

Our view on pricing principles

We have selected and reviewed related sample contracts of the top five property projects in terms of service fees received during the ten months period ended 31 October 2021 under the 2020 Chuangsheng Sales Management Agreement and cross checked relevant sample contracts (the “**Comparable Contracts A**”) entered into between the Group and other Independent Third Party customers. We note that the relevant properties under management of the Comparable Contracts A are of similar nature, age, infrastructure features, location (in terms of geographical location or city tier) and/or neighborhood profile of those under the 2020 Chuangsheng Sales Management Agreement. We note that the services fees paid by the Chuangsheng Holdings Group to the Group were not less favourable than the fees which the Group received from the Independent Third Party customers for similar services.

Jiayuan International Sales Management and Other Services Framework Agreement

Reference is made to the sub-section headed and “Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” in the Prospectus in relation to, among others, the entering into the 2020 Jiayuan Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, the Company and Jiayuan International entered into the Jiayuan International Sales Management and Other Services Framework Agreement to revise the existing annual caps for FY2021, terminate the 2020 Jiayuan Sales Management Agreement and provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

Date

22 December 2021

Parties

- (1) the Company; and
- (2) Jiayuan International

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Term

The period commencing on the date on which all conditions precedent set out in the Circular have been fulfilled to and including 31 December 2024 (both days inclusive).

Subject matter

- (a) The Group shall, where it is selected by the Jiayuan International Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Group and members of the Jiayuan International Group from time to time;
- (b) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by the Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (c) the individual management agreements to be entered into between members of the Group and members of the Jiayuan International Group shall contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Sales Management and Other Services Framework Agreement.

We have obtained and reviewed both the 2020 Jiayuan Sales Management Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement and we notice that the principal terms of the two agreements are substantially the same, save for the annual caps.

Pricing principles

Pursuant to the Jiayuan International Sales Management and Other Services Framework Agreement, as a general principle, the price and terms of contracts with the Jiayuan International Group shall be determined (i) in the ordinary course of business on normal commercial terms; (ii) negotiated on an arm's length basis; and (iii) at prices and on terms no less favourable to the Group than those provided to the Independent Third Party customers of the Group.

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For those sales management and other services which are not subject to tender process according to the prevailing laws and regulations of the PRC, the Group would compare the price quotes and terms of the relevant services with those offered to the Independent Third Party customers from time to time, so as to ensure that the offer price to the Jiayuan International Group and the terms are no less favourable to the Group than those offered to the Independent Third Party customers for the Group.

Our view on pricing principles

We have selected and reviewed related sample contracts of the top five property projects in terms of service fees received during the ten months period ended 31 October 2021 under the 2020 Jiayuan Sales Management Agreement and cross checked relevant sample contracts (the “**Comparable Contracts B**”) entered into between the Group with other Independent Third Party customers. We note that the relevant properties under management of the Comparable Contracts B are of similar nature, age, infrastructure features, location (in terms of geographical location or city tier) and/or neighborhood profile of those under the 2020 Jiayuan Sales Management Agreement. We note that the services fees paid by the Jiayuan International Group to the Group were not less favourable than the fees which the Group received from the Independent Third Party customers for similar services.

4. Analysis on the Revised Caps

Revised Cap for the 2020 Chuangsheng Sales Management Agreement

Pursuant to the 2020 Chuangsheng Sales Management Agreement, the Group provides (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services on an one-off basis for the properties before delivery to homeowners, for property projects developed by the Chuangsheng Holdings Group.

As stated in the Board Letter, since the actual number of housing sales office service projects has increased by approximately 20% as compared to previously expected, it is expected that the transaction amount under the 2020 Chuangsheng Sales Management Agreement for FY2021 will be higher than the existing annual cap of RMB41.0 million. The Company proposed to revise the existing annual cap for Sales Management and Other Services provided to the Chuangsheng Holdings Group for FY2021 to RMB47.0 million and to terminate the 2020 Chuangsheng Sales Management Agreement with effect from the date of commencement of the term of the Chuangsheng Sales Management and Other Services Framework Agreement.

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Save for the revision of the annual cap for FY2021 and the early termination, all other principal terms and conditions of the Chuangsheng Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Chuangsheng Sales Management Agreement.

We have obtained and reviewed a list (the “**Service List**”) of the Sales Management and Other Services provided by the Group to its customers (including the Chuangsheng Holdings Group, the Jiayuan International Group and Independent Third Party customers), setting out the service type, name of customers, name of property projects, GFA under management and service fee for the period from 1 January 2021 to 31 October 2021. We are advised by the Management that such list is exhaustive and therefore is considered fair and representative.

Based on the Service List, the aggregate service fees paid by the Chuangsheng Holdings Group to the Group under the 2020 Chuangsheng Sales Management Agreement for the ten months ended 31 October 2021 amounted to approximately RMB33.9 million, representing approximately 82.7% of the existing annual cap for FY2021 of RMB41.0 million.

We have reviewed a calculation schedule (the “**Calculation Schedule**”) prepared by the Management in relation to the Revised Caps and the Annual Caps. We observe that, based on the average monthly service fee received from the Chuangsheng Holdings Group for the period from August 2021 to October 2021 of approximately RMB3.6 million and the existing property projects which are expected to be proceeded in November or December 2021 with service fees amount of approximately RMB1.3 million, the service fee receivable from the Chuangsheng Holdings Group for November and December 2021 would be approximately RMB8.5 million. We consider such estimation which primarily based on recent three-month average transaction amount is reasonable.

We observe that the remaining quota of the existing annual cap for FY2021 of approximately RMB7.1 million will not be sufficient for the Group to satisfy the operational need. The proposed Revised Cap for the 2020 Chuangsheng Sales Management Agreement of RMB47.0 million is approximately 10.8% higher than the estimated service fees amount for FY2021 of approximately RMB42.4 million (i.e. sum of the transaction amount of approximately RMB33.9 million during ten months period ended 31 October 2021 and the estimated transaction amount for November and December 2021 of approximately RMB8.5 million). In relation to the approximately 10.8% buffer applied, we understand from the Management that such was intended to cater for any unforeseen changes in market conditions including an unexpected increase in demand of the Sales Management and Other Services and/or unexpected increase in the prevailing service fees to be charged to the Chuangsheng Holdings Group, thereby providing a degree of flexibility. Having considered the factors set out above and based on our work performed, we concur with the Management that the Revised Cap in respect of the Sales Management and Other Services with Chuangsheng Holdings for FY2021 is reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

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Revised Cap for the 2020 Jiayuan Sales Management Agreement

Pursuant to the 2020 Jiayuan Sales Management Agreement, the Group provides (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services on an one-off basis for the properties before delivery to homeowners, for property projects developed by the Jiayuan International Group.

As stated in the Board Letter, since the actual number of housing sales office service projects has increased by approximately 26% as compared to previously expected, it is expected that the transaction amount under the 2020 Jiayuan Sales Management Agreement for FY2021 will be higher than the existing annual cap of RMB36.8 million. The Company proposed to revise the existing annual cap for Sales Management and Other Services provided to the Jiayuan International Group for FY2021 to RMB48.0 million and to terminate the 2020 Jiayuan Sales Management Agreement with effect from the date of commencement of the term of the Jiayuan International Sales Management and Other Services Framework Agreement.

Save for the revision of the annual cap for FY2021 and the early termination, all other principal terms and conditions of the Jiayuan International Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Jiayuan Sales Management Agreement.

Based on the Service List, the aggregate service fees paid by the Jiayuan International Group to the Group under the 2020 Jiayuan Sales Management Agreement for the ten months ended 31 October 2021 amounted to approximately RMB31.8 million, representing approximately 86.4% of the existing annual cap for FY2021 of RMB36.8 million.

Based on the Calculation Schedule, we notice that the average monthly service fee received from the Jiayuan International Group for the period from August 2021 to October 2021 of approximately RMB3.5 million and the existing property projects which are expected to be proceeded in November or December 2021 with service fees amount of approximately RMB4.1 million, the Management estimates that the service fee receivable from the Jiayuan International Group for November and December 2021 would be approximately RMB11.1 million. We consider such estimation which primarily based on recent three-month average transaction amount is reasonable.

We observe that the remaining quota of the existing annual cap for FY2021 of approximately RMB5.0 million will not be sufficient for the Group to satisfy the operational need. The proposed Revised Cap for the 2020 Jiayuan Sales Management Agreement of RMB48.0 million is approximately 11.9% higher than the estimated service fees amount for FY2021 of approximately RMB42.9 million (i.e. sum of the transaction

amount of approximately RMB31.8 million during ten months period ended 31 October 2021 and the estimated transaction amount for November and December 2021 of approximately RMB11.1 million). In relation to the approximately 11.9% buffer applied, we understand from the Management that such was intended to cater for any unforeseen changes in market conditions including an unexpected increase in demand of the Sales Management and Other Services and/or unexpected increase in the prevailing service fees to be charged to the Jiayuan International Group, thereby providing a degree of flexibility. Having considered the factors set out above and based on our work performed, we concur with the Management that the Revised Cap in respect of the Sales Management and Other Services with Jiayuan International for FY2021 are reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

5. Analysis on the Annual Caps

Prospects of the property management industry

In order to get a better grasp of the outlook of the property management industry in the PRC, we have conducted our own desktop research.

In June 2003, the PRC Government promulgated the Regulations on Property Management, establishing a regulatory framework for the property management industry. Since then, a number of laws and rules have come into effect regulating various aspects of the property management industry and numerous policies enacted to promote its development. These include, but are not limited to, the Circular of the National Development and Reform Commission of the PRC on the Opinions of Relaxing Price Controls in Certain Services (《國家發展和改革委關於放開部分服務價格意見的通知》) (which eased the restrictions on property management service fees and parking fees over certain residential properties, allowing the Group more flexibility in pricing its services).

According to China Index Academy (“CIA”), an experienced property research institution in the PRC, the average number of property projects under management for top 100 property management companies in the PRC (an annual ranking of Chinabased property management companies by overall strength published by CIA based on a number of key indicators, including management scale, operational performance, service quality, growth potential and social responsibility) amounted to approximately 244 in 2020, represents a year-on-year growth of approximately 15.09%; the total average GFA under management for top 100 property management companies in the PRC amounted to approximately 48.8 million sq. m in 2020, represents a year-on-year growth of approximately 14.02%. According to CIA, in 2021, among the top 100 property management companies in the PRC, the Group was ranked 29th.

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Annual caps for the Chuangsheng Sales Management and Other Services Framework Agreement

According to the Board Letter, the historical aggregate amount of service fees received by the Group for the three years ended 31 December 2020 and for the ten months ended 31 October 2021 (the “**Current Period**”) are as follows:

	For the year ended 31 December 2018 RMB'000	For the year ended 31 December 2019 RMB'000	For the year ended 31 December 2020 RMB'000	For the ten months ended 31 October 2021 RMB'000
Historical amounts	27,100	34,500	38,100	33,900

The proposed Annual Caps for the transactions contemplated under the Chuangsheng Sales Management and Other Services Framework Agreement for the three years ending 31 December 2022, 2023 and 2024 (the “**Chuangsheng Annual Caps**”) are as follows:

	For the year ending 31 December 2022 RMB'000	For the year ending 31 December 2023 RMB'000	For the year ending 31 December 2024 RMB'000
Annual Caps	53,000	63,600	76,320

To assess the reasonableness of the proposed Chuangsheng Annual Caps, we have reviewed the basis of determining Chuangsheng Annual Caps and discussed with the Management regarding the principal factors the Company has taken into account in arriving the Chuangsheng Annual Caps.

As set out in the Board Letter, the proposed Chuangsheng Annual Caps are determined with reference to the following business sectors:

For the sales management services, including but not limited to the following information:

- (a) the number of the expected projects which is estimated to be 58, 70 and 84 for each of the three years ending 31 December 2022, 2023 and 2024, respectively. Such number of expected property projects for the year ending 31 December

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2021 are estimated with reference to the estimated number of 48 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;

- (b) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
- (c) the estimated number of staff based on the average number of staff assigned to each existing project;
- (d) the estimated service fees based on the average service fee charged per staff for the existing projects; and
- (e) the estimated property delivery schedule from the Chuangsheng Holdings Group for the three years ending 31 December 2024.

For the other services, including but not limited to the following information:

- (a) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of the Chuangsheng Holdings Group and the historical delivered GFA; and
- (b) the estimated management fees based on the management fee charged under the existing contracts.

Based on the Calculation Schedule, we notice that the Management has determined the Chuangsheng Annual Caps for the year ending 31 December 2022 (“FY2022”) with reference to a number of factors including, among other things, (i) the service fees expected to be received under the existing contracts; and (ii) the expected property projects in FY2022. We also note that the fees for the Sales Management and Other Services for each property project relevant to combination effect of the number of staff, GFA of each property project, service period etc.

We have reviewed the Calculation Schedule, and note that, based on the existing property projects and the estimated new projects to be delivered (taking into consideration the number of staff to be assigned to each project, staff cost per person, service period and/or GFA of the properties), the estimated aggregate service fees expected to be received is approximately RMB48.4 million. The proposed Chuangsheng Annual Cap for FY2022 of RMB53.0 million is around 10% higher than the estimated service fees amount for FY2022 of approximately RMB48.4 million. We have enquired and given to understand from the Management that the 10% buffer was intended to cater for any unforeseen changes in market conditions including an unexpected increase in demand of the Sales Management and Other Services and/or unexpected increase in the prevailing service fees to be charged to the Chuangsheng Holdings Group, thereby providing a degree of flexibility.

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Having considered the factors set out above and based on our work performed, we concur with the Management that the Chuangsheng Annual Cap for FY2022 is reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

We observe that each of the Chuangsheng Annual Caps for the two years ending 31 December 2024 was determined based on 20% increment from the proposed annual cap of the previous year.

We have obtained a property project list of the Chuangsheng Holdings Group and the Jiayuan International Group for the year ended 31 December 2020 and the Current Period (the “**Project List**”) setting out information including but not limited to name of property project, number of staff for each property project and amount of staff cost. Based on the Project List, we notice that, there are 48 property projects in respect of which sales management contracts had been entered into between the Group and the Chuangsheng Holdings Group for the Current Period, as compared to the 40 property projects for FY2020, representing an increase of 20.0%.

According to the estimation of the Management, the number of property projects of the Chuangsheng Holdings Group to be launched in FY2022 is 58, representing a growth of approximately 20.8%. The number of expected projects of the Chuangsheng Holdings Group is 58, 70 and 84 for the three years ending 31 December 2022, 2023 and 2024, respectively, representing an annual growth of approximately 20.0%. As discussed in the section headed “*Prospects of the property management industry*”, in view of (i) the favorable policies; (ii) the recent growth of the property management industry in the PRC; and (iii) the market position of the Group (being a top 30 property management company in the PRC), we consider such increase is in line with the prospects of the property management industry in the PRC, and is fair and reasonable.

Taking into consideration that (i) the 20.0% increment of the number of property projects from FY2020 to the Current Period based on the Project List; (ii) the expected 21% increment for such number from FY2021 to FY2022; and (iii) the prospects of the property management industry in the PRC, we consider the expected 20.0% growth in the number of expected property projects of the Chuangsheng Holdings Group to be launched in the two years ending 31 December 2024 is reasonably estimated.

Moreover, according to the Project List, we note that the average staff cost per year increased from approximately RMB105,000 for FY2020 to approximately RMB108,000 for the Current Period, representing an increase of approximately 2.9%.

Having considered the abovementioned factors and based on our work performed, we concur with the Management that the Chuangsheng Annual Cap for the two years ending 31 December 2024 which determined based on the Chuangsheng Annual Cap for FY2022 with an annual average increase of 20.0% is reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

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Having reviewed the above determination basis of the Chuangsheng Annual Caps, we consider that the estimation of the proposed Chuangsheng Annual Caps is fair and reasonable.

Annual caps for the Jiayuan International Sales Management and Other Services Framework Agreement

According to the Board Letter, the historical aggregate amount of service fees received by the Group for the three years ended 31 December 2020 and the Current Period are as follows:

	For the year ended 31 December 2018 RMB'000	For the year ended 31 December 2019 RMB'000	For the year ended 31 December 2020 RMB'000	For the ten months ended 31 October 2021 RMB'000
Historical amounts	26,500	30,700	30,700	31,800

The Annual Caps for the transactions contemplated under the Jiayuan International Sales Management and Other Services Framework Agreement for the three years ending 31 December 2022, 2023 and 2024 (the “**Jiayuan International Annual Caps**”) are as follows:

	For the year ending 31 December 2022 RMB'000	For the year ending 31 December 2023 RMB'000	For the year ending 31 December 2024 RMB'000
Annual Caps	58,000	69,600	83,520

To assess the reasonableness of the proposed Jiayuan International Annual Caps, we have reviewed the basis of determining Jiayuan International Annual Caps and discussed with the Management regarding the principal factors the Company has taken into account in arriving the Jiayuan International Annual Caps.

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As set out in the Board Letter, the proposed Jiayuan International Annual Caps are determined with reference to the following business sectors:

For the sales management services, including but not limited to the following information:

- (a) the number of the expected projects which is estimated to be 59, 71 and 85 for each of the three years ending 31 December 2022, 2023 and 2024, respectively. Such number of expected property projects are estimated with reference to the estimated number of 49 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;
- (b) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
- (c) the estimated number of staff based on the average number of staff assigned to each existing project;
- (d) the estimated service fees based on the average service fee charged per staff for the existing projects; and
- (e) the estimated property delivery schedule from the Jiayuan International Group for the three years ending 31 December 2024.

For the other services, including but not limited to the following information:

- (a) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of the Jiayuan International Group and the historical delivered GFA; and
- (b) the estimated management fees based on the management fees charged under the existing contracts.

Based on the Calculation Schedule, we notice that the Management has determined the Jiayuan International Annual Caps for FY2022 with reference to a number of factors including, among other things, (i) the service fees expected to be received under the existing contracts; and (ii) the expected property projects in FY2022. We also note that the fees for the Sales Management and Other Services for each property project relevant to combination effect of the number of staff; GFA of each property project, service period etc.

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We have reviewed the Calculation Schedule, and note that, based on the existing property projects and the estimated new projects to be delivered (taking into consideration of number of staff to be assigned to each project, staff cost per person, service period and/or GFA of the properties, the estimated aggregate service fees expected to be received is approximately RMB52.8 million. The proposed Jiayuan International Annual Cap for FY2022 of RMB58.0 million is around 10% higher than the estimated service fees amount for FY2022 of approximately RMB52.8 million. In relation to the 10% buffer applied, we understand from the Management that such was intended to cater for any unforeseen changes in market conditions including an unexpected increase in demand of the Sales Management and Other Services and/or unexpected increase in the prevailing service fees to be charged to the Jiayuan International Group, thereby providing a degree of flexibility.

Having considered the factors set out above and based on our work performed, we concur with the Management that the Jiayuan International Annual Cap for FY2022 is reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

We observe that the Jiayuan International Annual Caps for the two years ending 31 December 2024 represents 20% increase for each year, compare to the Jiayuan International Annual Cap for FY2022.

Based on the Project List, we note that, there are 49 property projects in respect of which sales management contracts had been entered into between the Group and Jiayuan International Group for the Current Period, as compared to the 39 property projects for FY2020, representing an increase of approximately 25.6%.

According to the estimation of the Management, the number of the property projects of the Jiayuan International Group to be launched in FY2022 is 59, representing a growth of approximately 20.4%. The number of expected property projects of the Jiayuan International Group is 59, 71 and 85 for the three years ending 31 December 2022, 2023 and 2024, respectively, representing an average annual growth of approximately 20%. As discussed in the section headed "*Prospects of the property management industry*", in view of (i) the favorable policies; (ii) the recent growth of the property management industry in the PRC; and (iii) the market position of the Group (being a top 30 property management company in the PRC), we consider such increase is in line with the prospects of the property management industry in the PRC, and is fair and reasonable.

Taking into consideration that (i) the 25.6% increment of the number of property projects from FY2020 to the Current Period based on the Project List; (ii) the expected 20.4% increment for such number from FY2021 to FY2022; and (iii) the prospects of the property management industry in the PRC, we consider the expected 20.0% growth in the number of property projects of the Jiayuan International Group to be launched in the two years ending 31 December 2024 is reasonably estimated.

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Moreover, according to the Project List, we note that the average staff cost per year increased from approximately RMB101,000 for FY2020 to approximately RMB108,000 for the Current Period, representing an increase of approximately 6.9%.

Having considered the abovementioned factors and based on our work performed, we concur with the Management that the Jiayuan International Annual Caps for the two years ending 31 December 2024 which determined based on the Jiayuan International Annual Cap for FY2022 with an annual average increase of 20.0% is reasonably determined, fair and reasonable in so far as the Independent Shareholders are concerned.

Having reviewed the above determination basis of the Jiayuan International Annual Caps, we consider that the estimation of the proposed Jiayuan International Annual Caps is fair and reasonable.

6. Internal control

As stated in the Board Letter, the terms of the Chuangsheng Sales Management and Other Services Framework Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement were arrived at after arm's length negotiations between the Company and Chuangsheng Holdings and Jiayuan International. In order to ensure the pricing of the sales management and other services is on normal commercial terms, the Company has established a series of internal control procedures, details of which are included in section headed "INTERNAL CONTROL" in the Board Letter.

We have obtained supporting documents in connection with the annual review on the fees charged by the Group for the Sales Management and Other Services and we note that the Group has compared the price quotes and terms of the relevant services under the Continuing Connected Transactions with those offered to the independent customers from time to time, so as to ensure that the offer price to the Chuangsheng Holdings Group and the Jiayuan International Group and the terms are no less favourable to the Group than those offered to the Independent Third Party customers. We further note that the fees did not fall below the prevailing market rate.

We have also obtained internal approval documents in connection with man-days/man-hours the Sales Management and Other Services and we note that the internal audit, finance department of the Group has verified the reasonableness of the estimated man-days/man-hours.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the annual report of the Company for FY2020 and we note that the independent non-executive Directors and the auditor of the Company have reviewed the continuing connected transactions under the Existing Agreements during FY2020 and provided the relevant confirmations. As confirmed with the Company, we are given to understand that the continuing connected transactions contemplated under the Existing Agreements (i) have received the approval of the

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Directors; (ii) are in accordance with the pricing policies of the Company; (iii) have been entered into in accordance with the relevant agreement governing the transactions; and (iv) have not exceeded the cap disclosed in previous announcement(s). We also understand that the Company will continue to comply with the relevant annual review requirement under the Listing Rules and internal control requirement on an on-going basis.

Therefore, we are of the view that appropriate internal control procedures are in place to prevent the proposed annual caps from being exceeded.

Based on the above, we concur with the view of the Directors that the Group has effective internal procedures in place to continue to monitor the continuing connected transactions under the Sales Management and Other Services Framework Agreements and to ensure that such transactions contemplated under the Sales Management and Other Services Framework Agreements will continue to be conducted in accordance with the pricing policies under the Sales Management and Other Services Framework Agreements and on normal commercial terms.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that (i) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Company; and (ii) the terms of the Sales Management and Other Services Framework Agreements are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the Revised Caps and the Annual Caps are reasonably determined, fair and reasonable.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Continuing Connected Transactions (including the Revised Caps and Annual Caps).

Yours faithfully,
For and on behalf of
Akron Corporate Finance Limited
Felix Tsang
Assistant Director

Mr. Felix Tsang is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Akron Corporate Finance Limited to carry on Type 6 (advising on corporate finance) regulated activity as defined under the SFO.

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 Group. 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 the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations, as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules were as follows:

Interest in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity and nature of interest	Number of shares or securities held ^(Note 1)	Approximate percentage of the issued shares held as at the Latest Practicable Date
Mr. Zhu Hongge	Jiayuan International	Beneficial owner	64,000 shares (L)	0.001%

Note:

(1) The letter "L" denotes the Director's long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associates had any interests and/or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3, and Divisions 7 and 8 of Part XV of the SFO and the Model Code.

(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying shares or debentures

As at the Latest Practicable Date, so far as any Directors are aware of based on the disclosure of interest filings notified to the Company or revealed from public records, persons (other than the Directors or chief executive of the Company) who were taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register (the “**Section 336 Register**”) maintained by the Company pursuant to section 336 of the SFO, were as follows:

Name	Capacity and nature of interests	Number of shares or securities held ^(Note 1)	Shareholding percentage (%) ^(Note 1)
Chuangyuan Holdings	Beneficial owner	450,000,000 (L)	73.56
Jiayuan Investment ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
Jiayuan International ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
Mingyuan Group Investment ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
China Jiayuan ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
Galaxy Emperor ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
Mr. Shum ^(Note 2)	Interest in controlled corporation	450,000,000 (L)	73.56
Ms. Wang Xinmei ^(Note 3)	Interest of spouse	450,000,000 (L)	73.56
First Leading Trading Limited	Beneficial owner	32,124,000 (L)	5.25

Notes:

- The letter “L” denotes the person’s long position in the Shares. The percentages are calculated based on the total number of 611,709,000 issued Shares as at the Latest Practicable Date.
- As at the Latest Practicable Date, Chuangyuan Holdings is wholly-owned by Jiayuan Investment, which is in turn wholly-owned by Jiayuan International. Jiayuan International is held as to approximately 1.87% by Mr. Shum in his own personal capacity, and approximately 93.95% by Mingyuan Group Investment (including conversion shares that could be issued under the zero-coupon convertible bonds of Jiayuan International issued to settle part of the consideration for acquiring Luyuan Investment Holdings Limited from Mr. Shum. As at the Latest Practicable Date, none of the conversion rights have been exercised.). Mingyuan Group Investment is directly owned as to 70% by China Jiayuan, which is directly wholly-owned by Galaxy Emperor. Galaxy Emperor is directly wholly-owned by Mr. Shum. By virtue of the SFO, each of Jiayuan Investment, Jiayuan International, Mingyuan Group Investment, China Jiayuan, Galaxy Emperor and Mr. Shum is deemed to be interested in the Shares in which Chuangyuan Holdings is interested.
- Ms. Wang Xinmei is the spouse of Mr. Shum. By virtue of the SFO, Ms. Wang Xinmei is deemed to be interested in the Shares in which Mr. Shum is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any persons who had interests or short positions in the Shares or underlying Shares which were disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or recorded in the Section 336 Register.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service agreement with any member of the Group (which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited accounts of the Company were made up.

6. DIRECTORS' INTERESTS IN CONTRACTS OF THE GROUP

Save as disclosed, as at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited accounts of the Company were made up.

8. QUALIFICATION AND CONSENTS OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Akron Corporate Finance Limited	a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters and reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which have been acquired by, disposed of by or leased to any member of the Group, or which are proposed to be acquired by, disposed of by or leased to any member of the Group since 31 December 2020 (being the date to which the latest published financial statements of the Group were made up).

The letter of advice from Akron is given as of the date of this circular for incorporation herein.

9. CORPORATE INFORMATION OF THE GROUP

- (a) The joint company secretaries of the Company are Mr. Pang Bo, an executive Director, and Ms. Leung Kwan Wai, who is an associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.
- (b) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The headquarters of the Company is at Room 1403, 9 Queen's Road Central, Hong Kong.

10. MISCELLANEOUS

The English text of this circular and form of proxy shall prevail over the Chinese text in the case of inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://jy-fw.cn/> for a period of 14 days from the date of this circular:

- (a) Chuangsheng Sales Management and Other Services Framework Agreement; and
- (b) Jiayuan International Sales Management and Other Services Framework Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Jiayuan Services Holdings Limited **佳源服務控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1153)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Jiayuan Services Holdings Limited (the “**Company**”) will be held at Room 1403, 9 Queen’s Road Central, Hong Kong, on Monday, 17 January 2022 at 4:30 p.m. for the purposes of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company.

ORDINARY RESOLUTION

1. **“THAT**

- (a) the framework agreement (“**Chuangsheng Sales Management and Other Services Framework Agreement**”) entered into between Chuangsheng Holdings Group Co., Ltd. (“**Chuangsheng Holdings**”) and the Company in relation to the continuing connected transactions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”)) and all the transactions contemplated thereunder as well as the proposed revised annual cap for the year ended 31 December 2021 and the proposed annual caps for the transactions contemplated under the Chuangsheng Sales Management and Other Services Framework Agreement for the three years ending 31 December 2022, 2023 and 2024, as more particularly set out in the circular of the Company dated 29 December 2021, be and are hereby approved;
- (b) the framework agreement (“**Jiayuan International Sales Management and Other Services Framework Agreement**”) entered into between Jiayuan International Group Limited (“**Jiayuan International**”) and the Company in relation to the continuing connected transactions (as defined in the Listing Rules) and all the transactions contemplated thereunder as well as the proposed revised annual cap for the year ended 31 December 2021 and the proposed annual caps for the transactions contemplated under the Jiayuan International Sales Management and Other Services Framework Agreement for the three years ending 31 December 2022, 2023 and 2024, as more particularly set out in the circular of the Company dated 29 December 2021, be and are hereby approved; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the directors (the “**Directors**” and each a “**Director**”) be and are hereby generally and unconditionally authorised to do all such acts or things and execute and deliver all such documents, instruments and agreements which they consider necessary, desirable or expedient to give effect to the transactions contemplated under the Chuangsheng Sales Management and Other Services Framework Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors, in the interests of the Company and in accordance with the Listing Rules (where relevant).”

By order of the Board
Jiayuan Services Holdings Limited
Zhu Hongge
Chairman

Hong Kong, 29 December 2021

As at the date of this notice, the board of Directors comprises seven Directors, of which Mr. Zhu Hongge, Mr. Bao Guojun and Mr. Pang Bo are the executive Directors, Mr. Huang Fuqing is the non-executive Director, Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin are the independent non-executive Directors.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For ascertaining shareholders' right to attend and vote at the EGM, which is to be held on Monday, 17 January 2022, the register of members of the Company will be closed from Wednesday, 12 January 2022 to Monday, 17 January 2022, both days inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 11 January 2022.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf and such proxy need not be a member of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of the power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for the holding of the EGM (or the adjourned meeting as the case may be).
4. Completion and delivery of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In the case of joint holders of a share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto; and if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. The ordinary resolutions to be considered at the EGM will be decided by poll.