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Beijing Capital Jiaye Property Services Co., Limited

北京京城佳業物業股份有限公司

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

(Stock Code: 2210)

INITIAL GRANT UNDER THE SHARE APPRECIATION RIGHTS INCENTIVE SCHEME

This announcement is made by Beijing Capital Jiaye Property Services Co., Limited (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the announcement dated July 26, 2023 and the circular dated November 30, 2023 of the Company (the “**Circular**”), in relation to, among others, the proposed adoption of the Share Appreciation Rights Incentive Scheme and the Related Grant Proposal, as well as the announcement of the Company dated December 19, 2023 in relation to the poll results of the EGM of the Company. Unless otherwise specified, the terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that, as the Scheme was approved by the Beijing SASAC and the Shareholders at the EGM, the Scheme duly took effect on December 19, 2023. As the Related Grant Proposal was approved by the Beijing SASAC, the Related Grant Proposal took effect immediately upon the Scheme taking effect. Given that the grant conditions under the Scheme and the Related Grant Proposal have been satisfied, the Board considered and approved the resolution on the implementation of the initial grant of the Share Appreciation Rights (the “**Initial Grant**”) on December 19, 2023 and resolved that the initial grant of the Share Appreciation Rights would be made on December 19, 2023 (the “**Initial Grant Date**”).

DETAILS OF INITIAL GRANT

In accordance with the Related Grant Proposal, on the Initial Grant Date, the Board has granted an aggregate number of 3,420,000 Share Appreciation Rights to a total of 27 Incentive Recipients, with the number of the underlying H Shares accounting for approximately 2.33% of the total issued share capital of the Company as at the date of this announcement.

The allocation particulars of the Share Appreciation Rights under the Initial Grant among the Incentive Recipients are as set out in the table below:

Incentive Recipients and Positions	Number of Incentive Recipients	Number of the Share Appreciation Rights granted (0'000 shares)	Approximate percentage to the total number of the Share Appreciation Rights under the Initial Grant	Approximate percentage to the total issued share capital
Yang Jun Executive Director, General Manager, and Deputy Secretary to the Party Committee	1	20	5.85%	0.14%
Luo Zhou Executive Director, Deputy General Manager	1	17	4.97%	0.12%
Yao Xin Executive Director, Deputy General Manager	1	17	4.97%	0.12%
Other Senior Management	7	98	28.65%	0.67%
Core Backbone Employees	17	190	55.56%	1.3%
Total of the Initial Grant	27	342	100%	2.33%

Notes:

- (1) Incentive Recipient shall not be a substantial Shareholder or de facto controller holding over 5% of the shares of the Company, or parents, spouses or children thereof;
- (2) The number of underlying shares of Share Appreciation Rights to be granted under the Scheme to any Incentive Recipient mentioned above is no more than 1% of the total issued share capital of the Company;
- (3) The maximum gains from the Share Appreciation Rights to be received by any Director and member of senior management of the Company under the Scheme shall not exceed 40% of his/her total remuneration (including expected gains from Share Appreciation Rights) as at the grant of the Share Appreciation Rights; and
- (4) Each of Mr. Yang Jun, Mr. Luo Zhou and Mr. Yao Xin has abstained from voting in respect of relevant resolution on approving the grant of the Share Appreciation Rights to himself.

The exercise price per Share Appreciation Right under the Initial Grant under the Scheme shall be determined with reference to the fair market price and shall not be lower than the highest of the following four prices: (1) the closing price of the H Shares as stated in the Stock Exchange's daily quotation sheet as at the Initial Grant Date (being HK\$3.31); (2) the average closing price of the H Shares as stated in the Stock Exchange's daily quotations sheets for five consecutive trading days prior to the Initial Grant Date (being HK\$3.35); (3) the nominal value of the H Shares of the Company (being RMB1); and (4) 70% of net assets per share of the Company at the end of 2021 (being RMB3.36). Therefore, the exercise price per Share Appreciation Right under the Initial Grant under the Scheme is fixed at RMB3.36. In the event of dividend distribution, conversion of capital reserves into share capital, distribution of bonus shares, stock subdivision, rights issue or share consolidation of the Company prior to an exercise, the exercise price will be adjusted in accordance with relevant provisions of the Scheme.

In accordance with the terms of the Scheme, the Share Appreciation Rights under the Initial Grant shall not be effective within two years (24 months) from the Initial Grant Date (being December 19, 2023), nor shall be exercised prior to becoming effective. Subject to the satisfaction of the exercise conditions, the Share Appreciation Rights under the Initial Grant shall take effect in three batches in proportion to 34%, 33%, and 33% by the end of the second anniversary (24 months), the third anniversary (36 months) and the fourth anniversary (48 months) from the Initial Grant Date, respectively.

GENERAL

According to the Scheme, each Share Appreciation Right is notionally linked to one H Share, which entitles the Incentive Recipients to obtain the gains from the appreciation (which is the excess of the market price over the exercise price on the exercise date) of a specified amount of H Shares, and the Share Appreciation Rights will be settled in cash. However, the Company will not actually issue any H Shares to any Incentive Recipient. Therefore, it will not affect the total number of issued H Shares of the Company, neither will it have diluted influence on the Company's shares. The Scheme and the Related Grant Proposal would not involve the grant of new shares to be issued by the Company or any of its subsidiaries or any share options in connection therewith and therefore, it does not fall within the ambit of, and is not subject to the requirements under Chapter 17 of the Listing Rules.

Incentive Recipients do not actually hold shares, nor do they have the right as the Shareholders, such as voting rights or placing rights. Incentive Recipients shall not deal with the Share Appreciation Rights granted under the Related Grant Proposal without permissions, including but not limited to transfer, disposal, exchange, pledge, charge and repaying debts privately.

In addition, as at the date of this announcement, 800,000 Share Appreciation Rights under the Scheme and the Related Grant Proposal have not yet been granted as part of the reserved grant. When officially granting the Share Appreciation Rights as part of the reserved grant to the Incentive Recipients, the Company will perform its obligation to disclose relevant information (if necessary) in due course in accordance with applicable Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares of the Company.

By order of the Board of Directors
Beijing Capital Jiaye Property Services Co., Limited
Zhang Weize
Chairman

Beijing, the PRC
December 19, 2023

As at the date of this announcement, the Board consists of Mr. Zhang Weize, Mr. Yang Jun, Mr. Luo Zhou and Mr. Yao Xin as executive Directors, Ms. Jiang Xin and Mr. Mao Lei as non-executive Directors, and Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo as independent non-executive Directors.